

**Department of Culture, Arts and Leisure**  
**Resource Accounts**  
**For the year ended 31 March 2015**

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

*3 July 2015*



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# **Annual Report and Resource Accounts for the year ended 31 March 2015**

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ANNUAL  
REPORT

All information applies to the period 1 April 2014 to 31 March 2015  
unless otherwise stated.



## Introduction

The Department of Culture, Arts and Leisure (DCAL) is one of 12 Northern Ireland Departments. It was established in 1999 by the Departments (Northern Ireland) Order 1999.

During the period of this report, DCAL had responsibility in Northern Ireland for setting policy, bringing forward legislation and resourcing in the following areas:

Arts and creativity, museums, libraries, sport, stadiums, inland waterways, inland fisheries, the Public Record Office of Northern Ireland (PRONI), City of Culture Legacy, architecture, languages (Irish, Ulster Scots and Sign Language) and cultural awareness, and a pilot cross-community sports programme under the Together: Building a United Community (TBUC) strategy. DCAL is also responsible for advising on matters relating to National Lottery distribution.

### Core Divisions

During the period of this report, the work of the Department is divided into five core divisions:

**Culture** Division is responsible for arts and creativity; and the creative industries; inland waterways; language policy; architecture and the built environment policy.

**Sport, Museums and Recreation** Division is responsible for sport, museums, libraries, salmon and inland fisheries, and DCAL's input to TBUC.

**Corporate Services** Division is responsible for accounting and accountability; internal financial matters; governance support; the Review of Arm's Length Bodies; economic services; statistics and research; information management; personnel issues, the day to day running of the Department, media relations; Minister's Office & Permanent Secretary's Office.

**PRONI** – is responsible for the acquisition and preservation of, and provision of access to, archival heritage.

**Strategic Delivery Division** is responsible for developing a strategic approach to promoting equality, tackling poverty and social exclusion (PETPSE), communicating this across DCAL and its arm's length bodies, and delivering measurable outcomes in respect of PETPSE, City of Culture Legacy and creative industries.

In addition, the Regional and Sub Regional Stadium Development Programmes are undertaken by the Stadiums Team, with the Deputy Secretary as Senior Responsible Officer.

**Note:** The creative industries function transferred from Culture Division to Strategic Delivery Division in October 2013.

## Our Vision, Mission and Values

DCAL's Mission is:

*“To promote social and economic equality, and to tackle poverty and social exclusion, through systematically promoting a sustainable economic model and proactively targeting meaningful resources at sectors of greatest inequality, within areas of greatest objective need, in the wider context of effectively developing tangible opportunities and measurable outcomes for securing excellence and equality across culture, arts and leisure, and a confident, creative, informed and healthy society in this part of Ireland.”*

We do this by:

- Providing effective leadership on strategy and policy;
- Ensuring the effective and efficient delivery of high quality culture, arts and leisure services; and
- Ensuring effective governance, oversight, probity, and relationship management with our delivery partners.

Our Values are:

- **Dedication** – to excellence and making a difference;
- **Caring** – about our customers, business partners, each other, our work, and the environment;
- **Ability** – professional, knowledgeable, creative; and
- **Leadership** – which inspires.

## Directors' Report

### Minister

On 16 May 2011 Carál Ní Chuilín MLA was appointed as the Minister for the Department. Her Ministerial salary and allowances are paid by the Northern Ireland Assembly and have been included as a notional cost in this resource account. Details of her Ministerial salary, allowances and other benefits are given in Note 3 on pages 125 and 126. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

### Permanent Secretary of the Department and Departmental Board

During the reporting period, the Departmental Board consisted of the following:

Peter May	Permanent Secretary (to 14 November 2014)
Cynthia Smith	Permanent Secretary (from 17 November 2014 to 27 March 2015)
	Deputy Secretary (to 17 November 2014 and from 30 March 2015)
Denis McMahon	Permanent Secretary (from 30 March 2015)
Barney McGahan	Deputy Secretary (from 17 November 2014 to 27 March 2015)
Deborah Brown	Director, Corporate Services Division (to 29 August 2014)
Michael O'Dowd	Acting Director, Corporate Services Division (15 August 2014 to 14 September 2014)
David Carson	Director, Corporate Services Division (from 1 September 2014)
Aidan Cassidy	Director, Business Change (from 1 March 2015)
Mick Cory	Director, Sport, Museums and Recreation Division (to 29 August 2014)
Fergus Devitt	Director, Sport, Museums and Recreation Division (from 1 September 2014)
Stephen McGowan	Director, Strategic Delivery (to 27 March 2015)
Rory Miskelly	Director, Stadiums Programme (from 27 January 2015)
Arthur Scott	Director, Culture Division
Maggie Smith	Director, PRONI
Marie Mallon	Non Executive Director
John West	Non Executive Director

## Corporate Governance

The Departmental Board, chaired by the Permanent Secretary and comprising the Deputy Secretary, Directors (including a professional Director of Finance) and two Non Executive Directors in line with the requirements of chapter 3 of *Corporate Governance in Central Government Departments: Code of Good Practice NI*, meets 11 times per year.

During the period of this report, the Departmental Board was supported by five committees:

- the Audit and Risk Assurance Committee (ARAC), which meets quarterly and is chaired by an Independent Board Member. The ARAC provides support in the fields of risk, control and governance and associated assurance;
- the Finance Committee which meets at least quarterly and is chaired by the Permanent Secretary. The Finance Committee advises on key strategic financial issues affecting the Department;
- the Stadium Programme Board meets at least quarterly and is chaired by the Deputy Secretary. The Stadium Programme Board provides advice and assurance to the Programme SRO and Permanent Secretary to ensure successful delivery of the Programme;
- the ICT Governance Board meets quarterly and is chaired by the Deputy Secretary. The ICT Governance Board has responsibility for oversight of Departmental ICT and information management matters;
- the Promoting Equality, Tackling Poverty and Social Exclusion (PETPSE) Board meets bi-monthly and is chaired by the Permanent Secretary. The PETPSE Board has responsibility for delivery of outcomes in respect of the Department's Promoting Equality, Tackling Poverty and Social Exclusion operations through the creation of relevant programmes and maximising the PETPSE impact of existing programmes.

With effect from 1 April 2015, the Departmental Board committee structure was modified. The ARAC remained and two new committees were formed – the Delivery Board and the Transition Board. The work of the other committees listed above continues, but outside of the Board-committee structure.

Through the Corporate Plan and Balanced Scorecard 2011-15 the Department brings a strategic focus to the business delivery ensuring a link between the Programme for Government (PfG) and DCAL's activities.

Risk management support and guidance is made available to all staff through the intranet and updates to risk management and governance policies are appropriately disseminated throughout the Department. Ongoing training is provided to appropriate staff to embed risk management concepts and tools into everyday business. The format of Department's Risk Register was revised and approved by the Departmental Board in January 2015.

Further detail on corporate governance arrangements and risk management are contained in the Governance Statement section of this Report (pages 74 to 103).

## **Public Interest and Other Matters**

### **Employment of Disabled Persons**

As an equal opportunities employer, the Department does not discriminate against staff or eligible applicants for posts on any grounds, including disability. Care is taken to ensure the needs of disabled applicants are considered in the recruitment and promotion processes. The Department also considers and introduces reasonable adjustments to support the employment of people with disabilities and to support the continuing employment of staff who have a disability.

### **Employee Involvement**

The Department places great emphasis on the involvement of its employees. In doing so it makes every effort to ensure that all staff are kept informed of plans and developments. This is done through meetings, team briefing, intranet, circulars and publication of corporate and business plans. This is particularly important as we move through a period of transition to new departments.

Staff also have access to the NICS Welfare Services, an Employee Assistance Programme and trade union membership.

The Department continues to use the established Whitley process for staff consultation. The Whitley Council and Committees provide an agreed forum for discussion and are attended by both employer and trade union representatives.

The Department also has in place a Staff Engagement Forum (SEF) that is chaired by a member of the senior management team and has representatives from all five Divisions in DCAL plus trade union side. The primary aim of the SEF is to consider and prioritise issues arising from the Staff Survey results and other related initiatives including the Investors in People standard and to develop a joined-up action plan to progress priority issues. An Action Plan has been developed by the Staff Engagement Forum, in response to the Staff Attitude Survey and staff views raised through the Staff Conference and FED Leadership events, has been placed on the Intranet so staff can view progress.

On 19 March 2015 DCAL was presented with an award, at a ceremony at Belfast Castle, to acknowledge the achievement of Investors In People Bronze Standard.

### **Employee Engagement – Departmental Restructuring**

As part of the Departmental Transition Programme a specific communications and staff engagement strategy for DCAL has been drafted and will be approved by the transition project subcommittee.

The Permanent Secretary has written to all staff to update them on the transition and he will be attending a team brief session in each business area across the Department. Formal engagement sessions have also been undertaken with all G7s across the Department to help communicate key messages and help develop a vision for the transition project.

Initial group information sessions have also been delivered for staff, with more to follow at key milestones. A section on the intranet has been developed to centralise all key messages surrounding the transition project. A key message is that staff are encouraged to air any views or concerns regarding the transition away from DCAL and that all views will be taken into account as the plans take shape.

### **Register of Interests**

A Register of Interests is maintained by the Department. Processes are in place to complete the register and where conflicts have arisen they have/are being addressed. No significant interests are currently held by board members which may conflict with their management responsibilities.

### **Financial Liabilities**

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

### **Pension Liabilities**

The Department is covered by the provisions of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)) and bears the cost of pension provision for its staff by payment of an Accruing Superannuation Liability Charge. The scheme is essentially non contributory and unfunded. Although the scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS (NI). The Department meets the cost of pension cover provided for its employees by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS (NI) as a whole.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have moved to alpha from that date.

Further information on the Department's pension responsibilities can be found in the Remuneration Report and in Note 3 on Pages 125 and 126.

### **Reporting of Personal Data Related Incidents**

The Department's Information Asset Owners continue to manage the risk for all personal data assets held by the Department. The Department's assessment of risk indicates that the current risk is low. There were no incidents involving personal data during the year. There was an incident arising from the Líofo website which is hosted externally. This incident is being addressed and the Information Commissioner has been informed. The Minister made a statement to the Assembly about the incident on 18 November 2014.

### **Sickness Absence**

The Department's procedures in regard to managing attendance involves four strands: promoting wellbeing; supporting staff through illness; assisting them back to work; and taking robust action through inefficiency procedures where absence levels are considered to be unacceptably high. These procedures have been applied consistently throughout the year. The Department's sickness absence target for industrial and non-industrial staff for the year was to achieve an absence level of no more than 6.5 working days lost per staff year. Although final authoritative figures are not yet available from the Northern Ireland Statistics and Research Agency, the estimated outturn for the year is 9.2 working days lost per member of staff which compares with 8.6 days in 2013-14.

### **Auditor**

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office (NIAO) and he and his staff are wholly independent of the Department and he reports his findings to the Assembly.

The audit of the financial statements for 2014-15 resulted in a notional audit fee of £65,000 (2013-14: £65,000) which is included in the administration costs in the Statement of Comprehensive Net Expenditure. The Comptroller and Auditor General may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports. During the reporting period, no VFM Reports were published.

There was no non-audit work undertaken by the auditors during the 2014-15 financial year apart from the work associated with the National Fraud Initiative (NFI) 2014-15 exercise. The cost to the Department was £1K (2013-14, £nil).

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

**Important events which have occurred since the financial year end**

There have been no significant events since the year end which would affect the results for the year or the assets and liabilities at year end.

**Future Developments**

The Stormont House Agreement contains a commitment to reduce the number of NICS Departments from 12 to 9 following the Assembly election in May 2016. High level functions of the new departments are currently being developed and designed. It is anticipated that staff will move with their functions. The proposed 9-departmental model outlines a machinery of government change where the functions of the Department of Culture, Arts and Leisure will transfer to other departments in May 2016.



**Denis McMahon**

Accounting Officer for the Department of Culture, Arts and Leisure  
24 June 2015



## Strategic Report

### Entities within the Departmental Accounting Boundary

The Department's accounting boundary excludes Executive Non-Departmental Public Bodies (NDPBs) in line with the Government Financial Reporting Manual. These resource accounts present the results for 2014-15 of the entities within the departmental accounting boundary.

The core Department is the only entity within the boundary.

### Bodies outside the Departmental Accounting Boundary

The Department has eight bodies which are treated as Executive NDPBs for accounting purpose and fall outside the accounting boundary. These are:

- Arts Council of Northern Ireland (Arts Council NI)
- National Museums and Galleries of Northern Ireland (National Museums NI)
- Northern Ireland Library Authority (Libraries NI)
- Sports Council for Northern Ireland (Sport NI)
- Northern Ireland Museums Council Ltd (NIMC) – a Company Limited by Guarantee
- Armagh Observatory and Armagh Planetarium (AOP) – A Public Corporation
- Northern Ireland Screen Commission Ltd (NI Screen)
- 2013 World Police and Fire Games Ltd (WPFGL) – a Company Limited by Guarantee (dissolved 21 November 2014).

The following are North-South Implementation bodies and for accounting purposes are also outside the accounting boundary of the Department:

- Waterways Ireland
- North/South Language Body (comprising the Ulster-Scots Agency and Foras na Gaeilge)

The Northern Ireland Events Company (NIEC) is a company limited by guarantee and is regarded as outside the accounting boundary. It is no longer trading, and is being wound up.

### Working with the Department's Arm's Length Bodies (ALBs)

The Department's relationships with its ALBs are set out in Management Statements and Financial Memoranda, except for North/South Bodies which have Financial Memoranda. The Management Statements and Financial Memoranda are based on the best practice model developed by HM Treasury and contained in Managing Public Money Northern Ireland.

To promote sound working relationships each ALB works in close conjunction with a designated sponsor branch within the Department. In addition, the Corporate Strategy &

Governance Unit (CSGU) ensures a high level of professionalism and consistency in how the Department carries out its sponsorship activities in areas which are generic in nature and which require a level of expertise in the fields of finance, governance and accountability.

The Department's oversight arrangements with the ALBs are effected through a range of mechanisms, including regular accountability meetings chaired by the appropriate Departmental Director and Sponsor Branch officials, business plans, the provision by ALBs and review by the Department of business performance reviews, bi-annual and annual assurance statements, audit reports, board minutes and risk registers. These meetings are attended by the ALB Accounting Officer and senior ALB staff. Risk Assessments have continued to be carried out on ALBs determining each ALB's overall risk rating and associated level of sponsorship. This has allowed for proportionate, tailored governance arrangements for each ALB. Guidance is provided to ALBs on best practice procedures and policies on an ongoing basis throughout the year.

There are also regular monitoring meetings between sponsor branches and the North-South Implementation bodies.

### **Departmental Reporting Cycle**

Under the terms of Resource Accounting and Budgeting (Government Resources and Accounts Act (NI) 2001) the Department is required to submit a Main Estimate and a Spring Supplementary Estimate which provide the basis on which the Northern Ireland Assembly authorises resource consumption and associated financing requirements. The 2014-15 Estimates provided for expenditure for: inland fisheries and certain inland waterways; miscellaneous libraries; arts and creativity\*; museums; W5; sports; cultural policy and languages; Public Record Office of Northern Ireland; and North South Language Body and Waterways Ireland departmental overheads. The Estimates also provided for grants-in-aid to: the Northern Ireland Library Authority; National Museums and Galleries Northern Ireland; Arts Council of Northern Ireland; Sports Council for Northern Ireland; Armagh Observatory and Planetarium; World Police and Fire Games Limited; Northern Ireland Screen; Northern Ireland Museums Council; Waterways Ireland; North/South Language Body; administration and other related services; and provision for associated non-cash items. The Department's Resource Accounts are made available through the Department's website ([www.dcalni.gov.uk](http://www.dcalni.gov.uk)) after they are laid before the Assembly.

\*Includes City of Culture legacy

### Staff Numbers at 31 March 2015

	Headcount			Full Time Equivalent		
	Male	Female	Total	Male	Female	Total
Board Members	6	2	8	6.0	2.0	8.0
Other Employees	171	129	300	168.1	113.0	281.1
<b>Total</b>	<b>177</b>	<b>131</b>	<b>308</b>	<b>174.1</b>	<b>115.0</b>	<b>289.1</b>

Additionally, there were 2 non-executive directors at 31 March 2015 (1 male, 1 female) who are not included in the figures above.

### Equal Opportunities Policy

The Department is an equal opportunities employer. Every possible step is taken to ensure that staff are treated equally and fairly and that decisions on recruitment, selection, training, promotion and career management are based solely on objective and job related criteria. The Department actively pursues arrangements for flexible working patterns and is committed to creating a culture where individual differences are valued and respected. It does not tolerate any form of discrimination, harassment or victimisation. The Department is committed to providing a working environment where no one is disadvantaged.

### Review of Public Administration (RPA)

As part of the RPA Local Government Reform, DCAL finalised preparations for the transfer of Armagh County Museum from National Museums NI (NMNI) to the new Armagh, Banbridge and Craigavon Council. Preparations were also finalised for the transfer of a number of water recreation sites to seven of the new councils. All transfers were successfully completed by 1 April 2015.

### Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into quantifiable indemnities of £3,131k to cover local museums borrowing objects from exhibitions as at 31 March 2015. None of these is a contingent liability since the likelihood of a transfer of economic benefit in settlement is too remote. Further detail is provided within Note 18.3 to the accounts on page 138.

### Disclosure on Complaints Handling

DCAL's complaints procedures are fully compliant with the revised standards for complaint handling across government. These procedures are:

- Easily accessible to customers through DCAL's website;
- Accountable, timely and impartial; and
- Delivering continuous improvement by promoting a culture of learning.

Guidance is available to staff outlining how complaints should be dealt with. Further information on DCAL's complaints procedures are available to customers on its website at:

[http://www.dcalni.gov.uk/complaint\\_handling\\_-\\_mpso\\_revised\\_service\\_standard\\_complaints\\_procedure\\_10-03.pdf](http://www.dcalni.gov.uk/complaint_handling_-_mpso_revised_service_standard_complaints_procedure_10-03.pdf)

During 2014-15, DCAL dealt with 16 complaints (2013-14: 34).

Of these complaints, one of these was a formal procedure and the rest were minor and dealt with informally by the relevant branches.

## **Organisational Development**

### **Responding to the 2015-16 budget**

The requirement to maintain delivery in the face of continuing cuts in budgets and staffing presents difficult challenges. The DCAL Senior Management Team has devised an Agenda for Change which will help ensure DCAL continues to provide the highest possible standard of service within a significantly reduced budget. The Agenda for Change outlines actions to be undertaken throughout DCAL under the themes of people, structures and processes. In 2014-15, three specialist project groups were established to take forward work in streamlining governance, enhancing revenue raising capability and advocacy. The project groups are made up of staff from DCAL and each of its main arm's length bodies.

### **The Stormont House Agreement**

The Stormont House Agreement will see DCAL functions transferring to various new departments in 2016. In order to oversee this transition whilst at the same time maintaining delivery, a new Transition Board and a new Delivery Board - each headed by the Permanent Secretary and reporting directly to the Departmental Board - have been established. The Transition Board is tasked with bringing strategic focus in leading the transitional change programme. The transition work itself will be co-ordinated by a new Programme Team (Transition) and an inclusive approach, involving all staff, will be adopted throughout this complex process of change. The Delivery Board will oversee and drive forward DCAL's work programme, including maintaining an emphasis on promoting equality and tackling poverty and social exclusion, to ensure timely delivery of strategic priorities during this period of change.





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4	5	6
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1. Minister with young Irish speakers at the Falls Park in Belfast.
2. Ulster Orchestra at the Waterfront Hall celebrating Burns Night.
3. Minister with some participants from a 12 week sports and cultural programme.
4. Camowen Junior Day at Altmore Fisheries, Pomeroy.
5. Minister at the launch of the Fisheries Protection vessel Cú Mhara.
6. Portora Rowing Club, Enniskillen.
7. Lisburn City Library.
8. Launch of the Eastside Arts Festival.
9. PRONI.

## Management Commentary

The following management commentary summarises progress and achievements in 2014-15 across all main business areas in DCAL. It is structured into three parts:

- 1 an update of progress against DCAL's Programme for Government commitments;
- 2 an analysis of milestone targets contained in DCAL's Corporate Plan 2011-15; and
- 3 Commentary on Departmental performance consisting of narrative reports from DCAL's business areas.

### 1 PfG 2011-15 DCAL Key Commitments

DCAL has responsibility for three specific key commitments listed in the Programme for Government 2011-15:

- To support 200 projects through the Creative Industries Innovation Fund.
- To develop sports stadiums as agreed with the IFA, GAA and Ulster Rugby;
- To host the World Police and Fire Games in 2013; and

In addition DCAL also has an important role in relation to a number of other PfG key commitments including:

- To deliver a range of measures to tackle poverty and social exclusion through the Delivering Social Change delivery framework (overall responsibility for this commitment rests with OFMDFM);
- To provide financial and other support across government to ensure the success of Derry~Londonderry City of Culture 2013 (OFMDFM);
- To include social clauses in public procurement contracts (DFP); and
- To further reduce the levels of sickness absence across the NICS (DFP).

A detailed assessment of DCAL's progress against its three PfG commitments follows. Progress against the other four PfG commitments mentioned above is described on pages 9, 26, 27-28, and 41-42.

<b>COMMITMENT</b>	
Support 200 projects through the Creative Industries Innovation Fund	
<b>Progress 2014-15</b>	<p>The Creative Industries Innovation Fund (CIIF) is delivered by the Arts Council of Northern Ireland on behalf of DCAL. It was launched in 2011 with a PfG target to support 200 projects by 31 March 2015. A key purpose of the fund is to support creative enterprises in transforming their business models and launching new products and services. The fund provided grants to businesses (up to £10,000) and sectoral bodies (up to £20,000) to support three key priorities:</p> <ul style="list-style-type: none"> <li>• <b><i>Cross-sectoral collaboration</i></b> between businesses within the creative industries and with other business sectors to encourage knowledge exchange and enhance the wider impact of the creative industries across the economy;</li> <li>• <b><i>Export focused growth</i></b> providing access to larger markets with greater trade opportunities to grow the private sector and increase wealth and employment;</li> <li>• <b><i>Harnessing the innovation and entrepreneurial potential of the culture, arts and leisure base</i></b> to develop new creative content, products, services and experiences.</li> </ul> <p>Following conclusion of final allocations in February 2015 the Arts Council announced that a total of 203 awards had been made through the Fund. This exceeded the PfG target to support 200 projects through the CIIF between 2011 and 2015 by 3 projects.</p> <p>In support of the Executive's draft Innovation Strategy, social clauses were introduced into awards during 2013-14 and continued into 2014-15 which resulted in local companies participating in a schools engagement programme to support the STEAM agenda (Science, Technology, Engineering, Arts, Maths) in local schools.</p>

<b>COMMITMENT</b>	
Develop sport stadiums as agreed with the Irish Football Association, Gaelic Athletic Association and Ulster Rugby	
<b>Progress 2014-15</b>	<p>Kingspan Stadium – The Ulster Rugby Kingspan Stadium, including the education and heritage centre and community facilities are now complete.</p> <ul style="list-style-type: none"> <li>• The official opening of the Stadium took place on 2 May 2014.</li> <li>• UBIRFU has received safety certification from Belfast City Council to host a capacity crowd of up to 18,000.</li> <li>• Ulster Rugby Kingspan Stadium has been selected to host the 2015 Final of the Guinness PRO12 competition.</li> </ul> <p>Windsor Park – The Windsor Park project is currently under construction and work is progressing well. Progress to date includes:</p> <ul style="list-style-type: none"> <li>• Reconstruction of the pitch, which commenced in May 2014, was completed in August 2014.</li> <li>• Demolition of the South Stand is now complete and construction of new stand has commenced in the South East Quadrant.</li> <li>• Construction of the East Stand commenced in September 2014 and is progressing well.</li> </ul> <p>On 31 March 2015, structural damage to the West Stand was discovered and for safety reasons it was agreed the structure would have to be demolished.</p> <p>Provided that the demolition and any subsequent replacement of the stand does not lead to significant delays, and that no major legal issues emerge, the Windsor Park development can remain on programme with completion of the construction works planned for November 2015.</p> <p>The construction notice for the Olympia Leisure Centre project has now been issued and works commenced in January 2015. This project led by Belfast City Council (BCC) is an exciting partnership between the Department and the Council and the funding provided by the Department will enable BCC to provide a new leisure centre and sports village. Construction at Olympia has been temporarily suspended due to the problems with the West Stand.</p> <p>Casement Park – Construction work at Casement Park is currently delayed.</p> <p>On 18<sup>th</sup> December 2014 Mr Justice Horner quashed the existing</p>



	<p>planning approval for the Casement Park project. There is strong resolve within the Ulster GAA to submit a new planning application in 2015 to develop a regional stadium in Ulster at Casement Park. Since the ruling, the UCGAA, the Department and the relevant team members have studied the judgement in order that the new planning application will fully address and take into account the points raised in the judgement.</p> <p>A Project Assessment Review is also planned which will look independently at the Stadia Programme and in particular at safety issues which have been raised on the Casement Park project.</p> <p>Subject to approval from DOE Planning, the aim is that the new stadium construction works will commence on site in early 2016. The redevelopment of Casement Park is a Programme for Government commitment and therefore remains a key priority.</p>
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<b>COMMITMENT</b>	
Host the World Police and Fire Games in 2013	
<b>Progress 2014-15</b>	This commitment has been met. The Games were successfully delivered in August 2013.

## 2 Analysis of Performance Targets Contained in DCAL's Corporate Plan 2011-15

Ref	Milestone target as at 31 March 2015	Progress as at 31 March 2015
1	<p>Throughout 2014-15, DCAL will enhance a strategic focus on promoting equality and tackling poverty and social exclusion by:</p> <p>a) Identifying at least 2 DCAL Innovation Action Zones areas outside of the North West of Ireland and begin project activity (budget dependent) to focus and maximise the impact of creative and cultural approaches in areas of high deprivation;</p> <p>b) Delivering at least 6 DCAL road-shows to raise awareness of the value and potential of the culture, arts and leisure sectors to address economic and social disadvantage;</p> <p>c) strengthening the focus of the DCAL Learning Forum on tackling social disadvantage and convening at least 6 meetings of the Forum, including the annual Learning Awards ceremony, to stimulate networking and knowledge sharing across the DCAL 'Family' and with wider social partners;</p> <p>d) developing a communication and community engagement plan which will include:</p> <p style="padding-left: 40px;">i) Supporting development of at least 2 video profiles per arm's length body to showcase innovative initiatives enhancing Education; The Economy; Health and Wellbeing; and Social Inclusion;</p> <p style="padding-left: 40px;">ii) launching a development and delivery programme for PETPSE Champions within DCAL branches and divisions;</p> <p style="padding-left: 40px;">iii) enhancing collaborative working with wider social partners by facilitating at least 6 briefing sessions for DCAL staff from community or voluntary organisations working in areas of high deprivation;</p> <p>e) Launching an information and engagement programme for the new 11 Shadow Local Government Councils elected in May 2014 to enhance understanding of the contribution the DCAL 'Family' can make to community planning and tackling social and economic disadvantage;</p>	<p>Colin and Shankill in West Belfast were identified as Innovation Action Zones. Various projects have been developed eg provision of iPad's and related equipment to support educational initiatives.</p> <p>6 road-shows were delivered in 2014-15 (Strabane, Limavady, Coleraine, Eniskillen, Belfast and Omagh).</p> <p>The DCAL Learning Forum is reviewing the DCAL Learning Strategy to ensure that key actions maximise the impact and reach of the DCAL family's contribution to education and life-long learning. 7 Learning Forum events were held in 2014-15 and The Claire's Awards were held on 11 June 2014.</p> <p>Video profiles are currently being piloted with the Creative Learning Centres. Further profiles will be developed to cover a range of areas and will be progressed further in 2015-16</p> <p>PETPSE Volunteers are now in place with regular meetings held through which best practice and PETPSE initiatives are discussed.</p> <p>7 briefing sessions has been held in 2014-15 with organisations including Angling NI, Ulster Rugby, Into Film – After-School Film Clubs and Lough Neagh Partnership.</p> <p>DCAL is represented on the inter-departmental working group on Local Government Reform and has participated in community planning events with councils, particularly in the NW where there has been regular engagement with councils in that area.</p> <p>The Memorandum of Understanding with</p>

	f) PRONI will continue to support the Inquiry into Historical Institutional Abuse (HIA) and it will continue to take a positive approach to requests for personal information.	the HIA Secretary has been reviewed on a quarterly basis. HIA Inquiry researchers are being hosted and provided with requested documents.
2	To progress the provision of education, heritage and community facilities at Casement Park, Ravenhill and Windsor Park in line with project timescales.	Casement Park – design of new education and heritage centre is ongoing. Kingspan Stadium (Ravenhill) – education and heritage centre is completed. Windsor Park – design of new education and heritage centre is ongoing.
3	By 31 March 2015, to develop and deliver a pilot cross-community sports programme.	A 3-month pilot cross-community programme was delivered in the Lower Falls and Greater Village areas of Belfast.
4	By September 2014 to complete work on Ravenhill on budget.	The official opening of the stadium took place in May 2014. Work on the education and heritage centre and community facilities have been completed. The project has been completed on time and within budget.
5	Throughout 2014-15, construction work on Windsor Park and Casement Park to progress in line with plans.	Windsor Park – Construction work on the stadium is progressing in line with original plans. Structural problems with the West Stand have been identified and are being addressed by the IFA. Casement Park – Planning approval was quashed in December 2014. A Project Assessment Review is currently planned which will specifically consider issues relating to Casement Park.
6	Throughout 2014-15, the three stadium projects to deliver social clauses in line with project contracts.	Social clauses have been imbedded in each of the 3 projects. For example, Windsor Park has delivered 19 apprenticeships and Ulster Rugby (Kingspan Stadium) has organised events and raised money for charities.
7	By 31 March 2015, to fund a further 50 projects under the Creative Industries Innovation Fund, bringing the total number of supported projects to 200.	203 projects have been supported.
8	By 31 March 2015, to deliver the following creative industries sectoral initiatives: an all- Ireland creative industries conference in Derry, Creativity Month in March 2015, and strategic oversight of <i>Generator NI</i> .	An All-Ireland Creative Industries Conference was held in Derry in May 2014. Creativity Month was held in March 2015 with events held in libraries and the Nerve Centre. Oversight of Generator NI was carried out with all targets achieved.
9	By May 2014 DCAL will establish a Departmental office in Derry and a Cultural Oversight Group to support development	An office in the North West was established in April 2014. Funding has been secured to deliver the North West Social and Economic

	and coordination of cultural based approaches to tackling poverty and social exclusion across the North West of Ireland.	Development Programme, which delivers community development opportunities and new collaborations across the North West.
10	In 2014-15 DCAL will create, support and oversee a new delivery body responsible for cultural based approaches to tackling economic and social challenges in the North West.	Due to budgetary pressures the recommendation for a delivery body was not deemed affordable. However a North West office was set up to take forward the North West Social and Economic Development Programme.
11	By 31 March 2015, to redevelop the Showgrounds/Daisyfield playing pitches in Derry and deliver the North Coast Sports Village in Coleraine.	Phase 1 of the North Coast Sports Village was completed in August. A business case for the Showgrounds/Daisyfield has not yet been received.
12	By 31 March 2017, to increase the proportion of people in the 20% most deprived areas participating in the arts or attending arts events from 75% to 81%. [Three year target].	Various workstreams are in place to meet this target eg under the Building Peace through the Arts: Re-imaging Programme 44 awards have been made and the Arts and Older People Programme has awarded 12 awards.
13	By 31 March 2017, to increase the proportion of people in the 20% most deprived areas attending museums from 42% to 48%. [Three year target].	Various workstreams are ongoing to meet this target eg 60,524 people have participated in informal learning programmes with NMNI and 2,500 complimentary family tickets have been issued by NMNI to families from areas of multiple deprivation.
14	By 31 March 2017, to increase the proportion of people in the 20% most deprived areas participating in sport from 46% to 52%. [Three year target].	Various workstreams are ongoing to meet this target eg 85 schools from areas of greatest need have registered with the Activ8 programme.
15	By 31 March 2017, to increase the proportion of people in the 20% most deprived areas using a public library from 30% to 36%. [Three year target].  <b>Note: the above four targets are three year targets as the survey data required to measure progress is not sensitive enough to detect annual changes. Periodic monitoring to March 2017 will include the monitoring of specific programmes and projects aimed at increasing accessibility.</b>	Various workstreams are ongoing to meet this target e.g. rhythm and rhyme sessions for pre-school children and Got IT? Sessions. There has been an overall increase in participation levels in Tier 1, Tier 2 and Tier 3 libraries.
16	By 31 March 2015, to attract 17,760 visits to PRONI and 13.5 million page views on the PRONI website.	21,616 visits have been made to PRONI. 16.3 million page views achieved comprising 11.6 million views on the PRONI website and 4.7 million views on PRONI's page on Flickr (a photo sharing website).
17	By 31 March 2015, to have in place:  a) Draft proposals for an Irish Language Act;	a) A 12-week consultation on proposals for

	<p>b) A strategy to enhance and protect the development of the Irish language; and</p> <p>c) A strategy to enhance and develop the Ulster-Scots language, heritage and culture.</p>	<p>an Irish language Bill was launched on 10 February 2015.</p> <p>b) A strategy to enhance and protect the development of the Irish language was published on 30 January 2015.</p> <p>c) A strategy to enhance and develop the Ulster-Scots language, heritage and culture was published on 30 January 2015.</p>
18	<p>Throughout 2014-15, to facilitate progress towards the achievement of key milestones in the Gaeltacht Quarter Action Plan:</p> <p>a) Agree and establish a formal programme management structure by 30 April 2014;</p> <p>b) Start the Handball building project by 30 April 2014;</p> <p>c) Secure agreement to the Lionra Uladh Project Business Case from the various funders by 30 September 2014;</p> <p>d) To contribute to the refurbishment of the Cumann Chluain Árd educational community facility by 31 March 2015;</p> <p>e) Develop a business case for the Spórtlann Project by 30 September 2014.</p>	<p>This has been postponed pending capital funds becoming available.</p> <p>Construction started in April 2014.</p> <p>£45k funding was secured in October and January monitoring.</p> <p>£160k was secured for this project and it is currently being refurbished.</p> <p>Forbairt Feirste is currently working on a business case for Spórtlann.</p>
19	By 30 September 2014, an Ulster-Scots Hub and Visitor Centre to open in Cathedral Quarter Belfast.	The Hub was opened in September 2014, with the Visitor Centre officially opening on 27 November 2014.
20	The Ulster-Scots and Irish Language academies to be progressed by 31 March 2015.	Officials have been progressing work on business cases for both academies.
21	By 31 March 2015, to promote good relations through the Cultural Awareness Strategy by supporting 25 events delivered by Grand Lodge of Ireland (GOLI) and the Gaelic Athletic Association (GAA).	GOLI has delivered 33 events and the GAA 35 events under this strategy.
22	Throughout 2014-15, all relevant business areas and ALBs to support the delivery and coordinated promotion of appropriate exhibitions, events and inclusive community engagement initiatives with regard to significant anniversaries within the Decade of Centenaries, including the First World War.	<p>Various work across the Department and its ALBs has been carried out:</p> <ul style="list-style-type: none"> <li>• The Nerve Centre, along with other bodies, held a Creative Centenaries Resource Fair in March 2015.</li> <li>• PRONI has published various documents to WW1.</li> <li>• Libraries NI delivered 789 heritage-related events.</li> <li>• New Modern History Galleries opened at the Ulster Museum.</li> <li>• Arts Council NI awarded a grant for the NOW 1418 Project.</li> </ul>

23	<p>Through all arm's length bodies, to make available opportunities for lifelong learning for everyone, including:</p> <p>a) 15,000 children to participate in LNI's Summer Reading Challenge;</p> <p>b) 300 adult reader development activities;</p> <p>c) 80,000 participants on organised learning visits to museums;</p> <p>d) 1,600 participants at Armagh Observatory and Planetarium STEAM events.</p>	<p>a) 14,933 children participated.</p> <p>b) 141 adult reader development activities delivered to 10,740 participants.</p> <p>c) 125,509 visitors participated.</p> <p>d) 9,796 participants at STEAM events.</p>
24	PRONI will host 40 organised learning visits from community groups.	52 organised learning visits from community groups were hosted.
25	By 31 March 2015, PRONI to develop a repository to preserve digital records for the next generation.	A repository to preserve digital records has been developed.
26	By 31 March 2015, PRONI to publish on line at least one additional or expanded digital application.	A number of applications have been expanded, for example, 31,565 catalogue descriptions were added to the PRONI online catalogue.
27	By 31 March 2015, PRONI to address positively all Freedom of Information requests for conflict related information.	A number of FOI requests have been completed with court and inquest files released to applicants.
28	By 31 March 2015, PRONI will review the Public Use of the Record (Management and Fees) Rules (NI) 2009 and bring forward proposals to update them.	This policy has been reviewed with further work to be completed to finalise its content.
29	By 31 March 2015, Inland Fisheries Group to implement new salmon conservation legislation.	Legislation has been in place from 1 March 2014. Workshops have been held with anglers to inform them of the new regulations. Work has also been undertaken with salmon netsmen affected by the legislation.
30	Throughout 2014-15, to provide expert assistance to at least 10 councils, community groups, government departments or developers to develop place making proposals which specifically promote equality and/or tackle poverty and social exclusion.	A web-based toolkit has been developed to assist those involved in planning. Engagement has taken place with a number of stakeholders, such as Fermanagh and Omagh Council, and NILGA.
31	Throughout 2014-15 to include social clauses in public procurement contracts for supplies, services and construction and, where appropriate, social benefits in grant funded programmes.	<p>The Department and its ALBs have delivered on the requirement for social clauses. Examples include:</p> <ul style="list-style-type: none"> <li>• Creative Industries Innovation Fund – required businesses to participate in W5's STEM Ambassadors Programme.</li> <li>• Sport NI has included the requirement for athletes funded through the Athlete Investment Programme to give back to communities in areas of high social</li> </ul>

		<p>need.</p> <ul style="list-style-type: none"> <li>• National Museums NI has provided placements for undergraduates and the unemployed.</li> </ul>
32	By 31 March 2015, to support an all-Ireland Líofoa campaign.	Plans are being taken forward to launch Líofoa in June 2015.
33	By 31 March 2015, to develop a scoping study for an all-Ireland electronic licensing project for the angling sector in partnership with the Loughs Agency and Inland Fisheries Ireland.	A scoping study was completed in September 2014. A business case is currently with the Special EU Programmes Body for consideration of the way forward.
34	By 31 March 2015, through Waterways Ireland, to develop and implement a prioritised management, maintenance and infrastructure upgrade programme.	Work is ongoing to manage and maintain the 1,000km of navigation routes, with capital expenditure focused on major infrastructure repairs.
35	By 31 March 2015, to have completed the review of DCAL ALBs and identified opportunities to improve efficiency and effectiveness through shared services and enhanced engagement.	Reviews of 5 ALBs completed. Consultation of the NI Museums Council has finished and responses are being considered. A 'Scoping of Shared Services' Project has been completed and agreed by the DCAL Departmental Board.
36	Throughout 2014-15, to contribute fully to the Programme for Government, the NI Economic Strategy, the NI Draft Innovation Strategy, Delivering Social Change, Together Building a United Community and to all other cross-departmental initiatives of relevance to DCAL.	The Department and its ALBs are fully contributing towards various government initiatives, including current PfG commitments. It has provided significant input to the Innovation Strategy, has provided funding for a cross-community sports programme and provided funding for activities in the North West.
37	Throughout 2014-15, to further develop strategic alliances with external organisations to enhance delivery of culture, arts and leisure.	<p>DCAL has engaged with other organisations to progress delivery of culture, arts and leisure particularly in budgetary constrained times. For example:</p> <ul style="list-style-type: none"> <li>• Convening of the Ministerial Action Group on the Creative Industries.</li> <li>• Engagement with the Sign Language Partnership Group.</li> <li>• Delivery of National Museums NIs Community Engagement strategy.</li> <li>• PRONI has worked with various organizations such as Ulster University, Queens University and the Titanic Forum.</li> </ul>
38	To achieve overall satisfactory assurance rating from DCAL Internal Audit for the 2014-15 year for inclusion in governance statement, supported by appropriate assurances from ALBs through the assurance process throughout the 2014-15 year.	Internal Audit report is due in May 2015 which will detail the overall rating, however an overall satisfactory assurance rating is anticipated.

39	By 31 March 2015, to have achieved between 99-100% spend against budget to ensure maximum delivery of Departmental priorities.	Preliminary indications are that spend (or outturn) for the year compared to budget has been: <ul style="list-style-type: none"> <li>• Administration costs – 97% on final budget of £6,819k</li> <li>• Resource costs – 98% on final budget of £97,695k</li> <li>• Capital investment – 100% on final budget of £36,586k</li> </ul>
40	Throughout 2014-15, to maximise the opportunities in the 2015-16 budget exercise and secure a budget settlement to ensure DCAL can contribute to deliver and build on the achievement of its key priorities.	Budgets have now been allocated to business areas within the Department and to ALBs. Work will continue on protecting front line services to the maximum extent possible.
41	By 31 March 2015 to work with NI Direct to complete a detailed scoping and business case exercise in relation to the online provision of fishing licences and permits, with a view to implementing an online platform by 31 March 2016.	The business case for the project was completed in December 2014. Bids have been made to secure funding to move onto the next stage of the project (Beta phase).
42	By 31 March 2015, to roll-out the DCAL Leadership Programme to all staff.	This programme has been rolled out to all staff.
43	To secure liP re-accreditation by April 2014.	Re-accreditation was achieved in April 2014. Bronze award achieved.
44	By 31 March 2015 to achieve an average sickness absence rate of 6.5 days sickness absence per employee.	Current projections indicate that DCAL is not on track to meet the target for the financial year with an estimated outturn of 9.2 working days lost.

### 3 Commentary on Departmental Performance

The services delivered by the Department and the funding provided to its ALBs have played an important role in promoting social and economic equality and in tackling poverty and social exclusion. In addition, many other positive impacts have been achieved. All of this has been achieved against a backdrop of difficult budgetary conditions. The Executive required DCAL to make savings of 4.4% in 2014-15 which has required skilful management across the DCAL Family throughout the year. Savings were achieved through a combination of vacancy management and scaling back non-critical spend. This approach has ensured that resources have been optimally allocated and Departmental priorities identified in the 2014-15 Business Plan have been sufficiently resourced.

The services delivered are illustrated below, together with some key highlights from the year 2014-15.



## **Promoting Equality, Tackling Poverty and Social Exclusion**

During 2014-15 DCAL continued to drive forward its strategic work in relation to the promotion of equality and tackling poverty and social exclusion (PETPSE). DCAL staff continue to work with key stakeholders and ALBs to ensure that the socio-economic benefits and returns are maximised from the funding available.

A dedicated Poverty and Social Exclusion Unit undertook a series of engagement events across the north, highlighting the work DCAL undertakes with the most disadvantaged people. These events also helped develop links with charity and community groups to further promote initiatives that will help the most vulnerable in our society.

A group of PETPSE Champions was set up within DCAL and met throughout the year sharing best practice. The group also received presentations from a variety of service providers who shared experiences of best practice in engaging hard to reach communities.

In addition to Departmental-led projects, DCAL is working with its arm's length bodies to develop clearly defined initiatives and targets which deliver tangible and meaningful outcomes in those sectors of society suffering greatest socio-economic inequalities; and within those areas suffering greatest objective need and deprivation.

### **Social Clauses**

In line with the obligations of promoting equality and tackling poverty and social exclusion, the Department, through its procurements is ensuring that a schedule of social clauses, socio-economic returns and community benefits is implemented for local communities through the investments being made. Substantial progress was made in relation to the Stadiums Development Programme which will deliver 88 opportunities for the long term unemployed, 55 apprenticeship opportunities, 6 student placements, and 15 socio-economic benefits to the local community.

Other examples of social clauses include recipients of funding under the Creative Industries Innovation Fund being required to devote some of their time as STEM ambassadors, and DCAL supported elite sportsmen and sportswomen providing voluntary support to local communities.

Through the lessons learned on the Stadiums Programme the Department has developed an approach to social clauses which is dedicated to fully harnessing the transformative power of public resources across culture, arts and leisure to deliver significant measurable programmes which target inequalities, deprivation and social exclusion as an important basis for developing a sustainable economic agenda.

A report on DCAL's approach to Social Clauses was formally launched by the Minister at **Coláiste Feirste on 2 April 2014.**

### **North-South Working**

DCAL recognises that co-operation on an all island basis can enhance the delivery of services and maximise benefits to taxpayers generally.

In addition to the work of the two North-South bodies, many of DCAL's business areas undertake considerable formal and informal work on a north-south basis. For example, senior representatives from the Arts Council NI meet twice-yearly with their southern counterparts; Sport NI collaborates with the Irish Sports Council; regular meetings take place between Libraries NI senior staff and representatives of the Library Association of Ireland; and National Museums NI liaise with colleagues in the south in relation to, for example, travelling exhibitions. DCAL Inland Fisheries Group and PRONI are further examples of DCAL's operational areas working in partnership with counterparts from the south.

DCAL continues to look for opportunities for north-south working, in particular where there is the potential to pool expertise, share best practice, achieve economies of scale, or sponsor mutually beneficial joint projects which, without co-operation, might not be viable.

### **City of Culture Legacy**

DCAL formally established a North West Office in April 2014 to take forward actions to build on the success of the 2013 City of Culture and drive a proactive approach to tackling poverty, social exclusion and inequality in the North West, an area which continues to suffer from high levels of deprivation.

Funding for a North West Social and Economic Development Programme was secured through the in-year monitoring round process. More than £4m in total was secured (both resource and capital), bringing the total investment by DCAL in the North West since January 2014 to over £6m.

The funding programme was split into the following strands:

- North West Community Cultural Programme
- North West Events Delivery Programme
- North West Cultural Hub Development Programme
- North West Capital Refurbishment Programme
- North West Sporting infrastructure Programme

Funding allocated through the Programme is designed to have a lasting impact without creating a commitment or requirement for future government funding. However, the Department will continue to provide support through ongoing strategic leadership and coordination.

The outcomes from the programme are designed to have ongoing and sustainable impact across disadvantaged communities and to stimulate and showcase ways that the DCAL family can transform lives, inspire communities and provide innovative and effective ways to engage the disengaged and help to rebuild the economy.

The design of the programme saw the DCAL North West Team undertake a series of actions including the ongoing consultation with existing Councils in Derry, Strabane, Limavady and Coleraine as well as liaison with community organisations, the wider DCAL network and other central government departments.

DCAL's focus on the North West will continue into 2015-16 and beyond to help ensure that the area continues to grow as a regional driver for creativity and innovation.

## **Stadiums**

The Regional Stadium Development Programme is a key commitment under the Programme for Government. Following NI Executive funding allocation of £110m, the Department has implemented the management and development structures that are required for the effective delivery of the stadium programme and progress has been made:

Kingspan Stadium – The Ulster Rugby Kingspan Stadium, including the education and heritage centre and community facilities are now complete.

- The official opening of the Stadium took place on 2 May 2014.
- UBIRFU have received safety certification from BCC to host a capacity crowd of up to 18,000.
- Ulster Rugby Kingspan Stadium has been selected to host the 2015 Final of the Guinness PRO12 competition.

Windsor Park – The Windsor Park project is currently under construction and work is progressing well. Progress to date includes:

- Reconstruction of the pitch, which commenced in May 2014, was completed in August 2014.

- Demolition of the South Stand is now complete and construction of new stand has commenced in the South East Quadrant.
- Construction of the East Stand commenced in September 2014 and is progressing well.

On 31 March 2015, structural damage to the West Stand was discovered and for safety reasons it was agreed the structure would have to be demolished.

Provided that the demolition and any subsequent replacement of the stand does not lead to significant delays, and that no major legal issues emerge, the Windsor Park development can remain on programme with completion of the construction works planned for November 2015.

The construction notice for the Olympia Leisure Centre project has now been issued and works commenced in January 2015. This project led by Belfast City Council (BCC) is an exciting partnership between the Department and the Council and the funding provided by the Department will enable BCC to provide a new leisure centre and sports village. Construction at Olympia has been temporarily suspended due to the problems with the West Stand.

Casement Park – Construction work at Casement Park is currently delayed.

On 18<sup>th</sup> December 2014 Mr Justice Horner quashed the existing planning approval for the Casement Park project.

There is strong resolve within the Ulster GAA to submit a new planning application in 2015 to develop a regional stadium in Ulster at Casement Park.

Since the ruling the UCGAA, the Department and the relevant team members have studied the judgement in order that the new planning application will fully address and take into account the points raised in the judgement.

Subject to approval from DOE Planning, it is possible that the new stadium construction works may commence on site in early 2016.

The redevelopment of Casement Park is a Programme for Government commitment and therefore remains a key priority.

The issue of State Aid has been resolved. Confirmation was received from the European Commission on 14 April 2014 that aid to the Stadium Programme represents 'compatible

state aid'. It was important for the Stadium Programme and wider Executive funding that this legal certainty has been obtained.

Social clauses have been firmly embedded throughout the procurement and delivery process across the stadia programme. These clauses are maximising the sustainable, economic, and social outcomes of the stadia programme.

To date, delivery against social clause targets has been positive. For example, with the completion of the Ravenhill redevelopment, the following delivery has been achieved:

<b>Social Clause</b>	<b>Minimum Contractual Requirements</b>	<b>Agreed Final Targets</b>	<b>Final Achievement</b>
<b>Long Term Unemployed (LTU) employment Opportunities</b>	4	7	7*
<b>Apprentice Opportunities</b>	2	4	13
<b>Trainee Work Placements</b>	80 person weeks	80 person weeks	80 person weeks
<b>Student Placements (of 40 person weeks)</b>	2 (total of 80 person weeks)	2 (total of 80 person weeks)	4 (total of 200 Person weeks)
* 8 further opportunities were provided for workers with a variety of unemployment records, but that do not classify as LTUs.			

Lessons learned from the Ravenhill project have been fed into delivery across the remainder of the regional stadia programme, with positive outcomes achieved.

Some issues have been experienced across the programme in the sourcing and preparation of LTU candidates for these social clause employment opportunities. This was identified as a lesson learned within the Ravenhill project; and in addressing this, the stadia team are in the final stages of procuring a service to source, develop and mentor LTU's during recruitment and employment. This approach has received considerable interest and support from social clause stakeholder groups.

The development of sub-regional stadiums remains a priority for DCAL. DCAL has progressed with the Strategic Outline Case and this was submitted to DFP in February 2015.

During 2015-16 in accordance with the Sub Regional Programme timeline, DCAL will step through the various audits of need, competitions, business case development in order to prepare for the delivery of the capital programme itself.

The forthcoming process for allocation of funding will be a fair, open and transparent and will be based on an evidence approach to demonstrating need and investment.

## **Líofa**

Líofa aims to increase the number of people speaking Irish, improve fluency levels, broaden the appeal of the Irish language to all communities and promote the benefits of language acquisition to the individual and community. Since its launch in September 2011, over 11,000 people have signed up to the initiative. The Minister recently announced a revised target of 20,000 by 2020.

DCAL has introduced a number of measures to increase the profile of Líofa and provide practical support to Líofa participants. These have included a Líofa advertising campaign, a Líofa website, outreach work with schools and community groups and the Gaeltacht Bursary Scheme.

Following the first advertising campaign to promote the Irish Language in February 2014, a further advertising campaign took place during March 2015. A Gaeltacht Bursary was again offered during 2014 with 135 applicants supported. One of the key priorities of the Gaeltacht Bursary Scheme is to contribute to tackling poverty and social exclusion. The Gaeltacht Bursary Scheme aims to give eligible applicants, on low incomes, an opportunity to attend intensive Irish Languages courses that are held in the Donegal Gaeltacht during the summer. The intensive nature of these courses helps learners to develop their speaking and listening skills.

As part of the Líofa Birthday celebrations, 11 intensive one day courses were held which were attended by 590 people of all ages and ability.

On 4 March 2015, the Minister launched the Líofa Book Club initiative, aimed at helping more advanced learners to develop their skills. 23 groups have joined up and the book club has been very well received by the learners.

## Sport

Throughout 2014-15 the Department has continued to oversee the delivery of the “Sport Matters” – the Strategy for Sport and Physical Recreation, 2009 – 2019. The department published a progress report during the year, showing that to date, 9 of the 26 targets through to 2019 had been achieved.

During 2014-15 the Strategy reached its mid-term point of the 10-year implementation period. In addition, in the post London 2012 scenario and given that 2014 was also a year in which the Commonwealth Games was held, it was considered timely to conduct a review of the policy, its implementation and effectiveness going forward. A key objective for this Mid-term Review was to establish the current performance of ‘Sport Matters’ against its implementation plan and identify barriers to progress. A key feature of the review was a commitment to engage with stakeholders. The findings of the Mid-term Review are supported by 17 recommendations for action, which in turn are underpinned by 59 supporting actions that emerged from the review.

DCAL invested, through Sport NI, approximately £9.4 million in a range of resource programmes ranging from those aimed at improving participation to those designed to improve elite performance. Programmes have been designed and delivered to include the promotion of equality and tackling of poverty and social exclusion, for example, the Active Communities Programme and the Activ8 Programme. Sport NI’s Sporting Ambassadors Programme was launched during the year, through which athletes funded through the Athlete Investment Programme and athletes supported by the Sports Institute NI are giving back to communities in areas of high social need, by visiting schools and community groups to share their experiences.

Sports Performance indicators also show good progress. Athletes achieving success at the highest level include a number of notable achievements, such as those of: the Commonwealth Games boxing team, who brought back nine medals from Glasgow, including gold medals for Paddy Barnes and Michael Conlon; Bethany Firth who set a new world record for the 100 metres para-swimming event; and Jason Smyth and Michael McKillop who won gold medals at the IPC European Athletics Championships. Such success cannot be achieved without the very important support provided by the Sports Institute, as well as qualified coaches, volunteers, sports systems, and strong sports governing bodies. There have been improvements in standards within sports governing bodies following governance and management audits.

Wider participation and sporting success requires good facilities. “Places” for sport is a key theme in ‘Sport Matters’, and notable progress has been made in the provision of high standard facilities. For example, working with Sport NI, the Department has encouraged the development of a £3.27m lottery boxing investment programme to address facility needs at amateur boxing clubs, many of which are situated in areas of high deprivation and provide positive engagement in sport to their communities, particularly young people. The equipment phase of the programme has been completed with 94 clubs benefitting so far. Delivery has commenced on the capital works phase of the programme, which will provide

funding for repairs, major refurbishment or new builds at 40 clubs. Work has also commenced on the development of facilities at boxing clubs in Derry, as part of the City of Culture legacy. This will see £1m invested in clubs in the area.

This work to develop the physical infrastructure of boxing has been complemented by investment to develop capacity within boxing clubs. This has been taken forward through work of a Club Development Manager within the IABA, funded under the Boxing Investment Programme and has seen 100 clubs brought up to the acceptable minimum governance standards expected of those seeking funding from public bodies.

The Department has also provided £3.3m for exchequer capital funding during the year. This has assisted with the completion of a number of projects, notably phase 1 of the North Coast Sport Village in Coleraine, a handball facility at Colaiste Feirste in Belfast, improvement works at Lisburn Racquets Club and disability access works at a number of facilities.

The Department has also taken forward work an initiative, in partnership with the Department of Education, aimed at safeguarding sports participants through managing concussion effectively. The outcome of this was the production of a set of guidelines in leaflet form entitled '*Recognise and Remove*', in a simple and easy to understanding format that will help young sports participants, parents, teachers and sports coaches to recognise concussion when it occurs and take urgent action to remove concussed participants from the field of play. Distribution of this leaflet was made widely to schools, the sporting community, libraries and leisure centres. The leaflet is also widely available on-line.

Sporting achievement has been recognised with the staging of a Celebration of Sport event in Newry, hosted by the Minister. Individual receptions have also been held to mark particular achievements during the year, including for the Irish Rugby team, AP McCoy, Carl Frampton, the Commonwealth Games team and Cliftonville FC.

The Department has delivered legacy from Carl Frampton's world boxing title win, through community engagement activities. In October a community boxing event was held in the Ulster Hall, where 300 young boxers and their coaches from across the north of Ireland got the chance to meet Carl Frampton and Barry McGuigan and to benefit from the advice provide by these local boxing legends and top coaches. A further legacy activity from the 'Titanic Showdown' was the delivery of the Happy Hearts Programme, which provided health and well-being advice and activities to almost 400 Year 4 pupils at schools across the north of Ireland. At the end of the programme, Barry McGuigan visited the participating schools to meet the children and their teachers.

Under the Executive Strategy *Together: Building a United Community*, DCAL has responsibility for the design and delivery of a cross-community youth sports programme. A pilot project in the Lower Falls and Greater Village areas of Belfast ran over January-March 2014. This is a detailed good relations programme delivered through the medium of sport with the emphasis on tackling sectarianism, racism and improving good relations. Through a range of stimulating sports and creative activities the programme aims to provide young people with the values, discipline, resilience and confidence to succeed on and off the pitch and to become ambassadors and leaders in their age groups and in their communities. The



pilot project will be evaluated to inform the potential for the wider roll-out of the programme across the north in subsequent years.

### **Salmon and Inland Fisheries**

DCAL Inland Fisheries Group (IFG) aims to manage salmon and inland fisheries resources in a sustainable way to add social and economic value. It has the statutory authority to conserve, protect, develop and promote recreational and commercial fisheries, within its jurisdiction, by developing evidence based policy, working with partners, educating the public and delivering service excellence to its customers. DCAL's strategy is to conserve, protect and improve stocks of salmon, eels and freshwater fish throughout its jurisdiction. It does this through the Salmon Management Strategy, Eel Management Plans, conservation and protection measures and interactions with other government departments and bodies.

The conservation and protection of salmon stocks was again a key priority in 2014-15. DCAL's approach to salmon conservation involves habitat improvement projects on rivers and the provision of advice and guidance to other bodies with responsibility for regulating activities which are potentially detrimental to fisheries. The Department successfully introduced new salmon legislation from 1 March 2014, implementing mandatory catch and release for salmon angling and prohibiting commercial salmon netting from the 2014 season. Following this prohibition of netting, compensation Agreements issued in March 2015 to 5 of the 6 salmon netsmen affected.

DARD and DCAL began a review of the Fisheries Act (NI) 1966 – led by DARD. A Joint Consultation issued on 18<sup>th</sup> August 2014, closing on 10<sup>th</sup> November 2014, and the results of this have been analysed. In response to stakeholder concerns arising during the consultation, a number of amendments were made to the original proposals. The amended proposals will help to modernise enforcement activity and to re-align the 1966 Act with its obligations under EU Directives such as the Water Framework Directive and the EU Services Directives. The CAL Committee were briefed on the outcome of the Consultation on 19<sup>th</sup> March 2015. A joint paper seeking Executive approval to the draft Bill has been tabled and early indications are that all Ministers are content with the final proposals.

DCAL participated in an all-Ireland steering group aimed at advancing an all-Ireland e-licensing project. In October 2014 this Group issued tender documents inviting consultants to tender for the development of a Business Case. This Business Case was completed in March 2015 and awaits approval for stage one of the process. The 16 By 16 Project - Digital Modernisation of IFG Using ICT - commenced in 2014 and the Alpha stage of this project is due for completion in early April 2015.

In December 2014 IFG entered into a new community partnership with NI Water to bring 14 additional waters into the DCAL Public Angling Estate. IFG is currently engaging with

stakeholders to develop a tender process, to include social clauses for management agreements for the additional waters. These management agreements are to be in place for the 2016 angling season.

IFG also plans to develop two fishery management plans for Lough Erne and Lough Neagh and there have been a series of meetings held with stakeholders to discuss the issues affecting fisheries.

Other key activities during 2014-15 included managing the 64 sites that make up the public angling estate and the development of a community outreach programme, with equipment, free licences and permits supplied to local community groups, encouraging young people, women, people with disabilities and socially excluded groups to participate in angling. DCAL also undertook habitat improvement works and constructed seven new disabled stands, and worked closely with local communities and fisheries interests with the aim of supporting the eel fishery on Lough Neagh, Europe's largest eel fishery. In addition, DCAL officials provided technical, professional and policy advice and guidance to government departments, agencies and other organisations, and Fisheries staff continued to undertake fisheries protection work.

## **Museums**

Museums play a key role in preserving our past and they provide opportunities for learning, promoting and understanding cultural diversity, encouraging community identity and pride, and encouraging social cohesion. Museums provide visitor attractions to both local and international visitors. The Department sets policy and oversees a number of organisations that provide Museum services. In addition to providing grant funding to these non-departmental public bodies, the Department supported and funded a number of other smaller, independent bodies.

National Museums NI was provided with a £12.2m resource budget in support of operating its four sites in line with its statutory responsibilities. This also provided resources for programmes aimed at promoting equality and tackling poverty and social exclusion (PETPSE). This was used for projects aimed at people from areas of high social deprivation and includes partnerships, schools programmes, lifelong learning initiatives for older people, employability programmes, young parents programmes and free daytrips to NMNI sites.

During the year National Museums won two DCAL Learning Forum 'Claire's Awards' including the Best Overall Project for its work on 'Weekends at the Museums' and a further award for partnership with the Lyric theatre that helped young people to consider the famine period. These awards recognise creative approaches to education and lifelong learning.

During 2014-15 the total number of visitors to National Museums' sites was 770,425, exceeding its annual target by 15.8%.

Challenging targets were also set this year to promote the Science, Technology, Engineering and Mathematics (STEM) agenda. National Museums achieved participation numbers of 125,509; whilst Armagh Observatory and Planetarium achieved 9,796 participants. The Observatory and Planetarium also provided free access for 447 children from 23 Special Needs Schools. Additionally, W5 (a grant funded body) held over 1,000 activities with 17,000 young people taking part in workshops and a further 12,000 pupils participating in events facilitated through STEMNET@W5.

The Armagh Observatory and Planetarium welcomed a total of 50,402 visitors, including 95 visits from schools on the Extended Schools Register and 167 visits from schools with a high proportion of pupils in receipt of Free School Meals.

To ensure visitor safety DCAL contributed an additional £2.8m of capital funding for maintenance, health and safety projects at National Museums' sites. In addition the Armagh Observatory and Planetarium (AOP) received an additional £19k resource funding to assist with Health and Safety work. The Department also provided a total of £120k capital funding to AOP to support GOTO and I-LOFAR which are collaborative science projects which will support AOP in delivering on its STEM related objectives.

DCAL provided £273k of funding to the NI Museums Council to provide an advisory and training service across the local and independent museums sector as well as to individuals or organisations interested in opening a gallery or museum, and £30k of grant funding to the Somme Heritage Centre to support with the costs of delivering its Decade of Centenaries programme.

In April 2013, the Executive agreed a package of functions to be transferred from central to local government. It was agreed that the functions transferring from DCAL to Local Government on 1 April 2015 would include the Armagh County Museum which was previously controlled by National Museums. DCAL has worked closely with Council representatives and National Museums to facilitate this transfer and the good working relationships throughout the process enabled the transfer to be completed within a challenging timescale.

## **Libraries**

Public libraries are at the heart of local communities in the North of Ireland and offer a wide range of life changing opportunities. They assist families and people of all ages to develop literacy and ICT skills for education, work and social interaction. They promote reading for pleasure, edification and fulfilment. They provide targeted services to support employability

and entrepreneurship. They run programmes to enhance health and mental well-being, and offer a gateway into community life for the isolated and vulnerable.

The delivery of the public library service in the North of Ireland is directed by the Department's 2006 Framework Policy 'Delivering Tomorrow's Libraries'. It outlines a range of different key work areas required to improve the service and contains 15 Public Library Standards which were reviewed, updated and agreed by the Minister in July 2014.

Libraries NI was provided with a £34.4m budget (capital and resource) in 2014-15 to enable it to operate its community based services and activities at 98 branch libraries and 18 mobile libraries throughout the year. A key focus of its work continues to be around Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE). Under the PETPSE agenda Libraries NI has provided in 2014-15:

- An increase in participation in the Tier 1 (2.5%) and Tier 2 (9.4%) libraries serving the 10% most deprived areas in the North of Ireland;
- Rhythm & Rhyme sessions (at least 1 session per month) that have attracted 116,352 participants in 93% of its libraries;
- A Quality Assured Class Visits programme for primary age children that have attracted 36,552 participants in 92% of its libraries;
- One to One assistance and/or organized events to support digital inclusion that have attracted 5,875 participants in 98% of libraries;
- 257 Health in Mind related activities;
- 151 adult reader development activities with 15,480 participants;
- The Summer Reading Challenge in which 14,933 children took part;
- Job Clubs in 28 libraries.

Libraries NI has also negotiated Service Level Agreements with both the Department of Education to support children's learning and the Department of Agriculture and Rural Development to provide services and support to rural communities. It has completed construction of Lisnaskea library, finished the refurbishment of Woodstock library, purchased 8 Delivery Vans and successfully commenced the construction of a new library in Moira. A Project Board has also been established by Libraries NI to work up proposals for the redevelopment of Belfast Central Library.

In addition, Libraries NI's new IT system - called e2 – was fully implemented in all public libraries in 2014-15. Library customers are now benefitting from enhanced and new services, including free Wi-Fi in libraries; superfast Broadband and greatly improved public IT facilities. The implementation of e2 is also now freeing up more staff time for outreach work in the community.

DCAL has also provided grant funding to a number of smaller organisations which contribute to Departmental priorities. Recipients included the Linen Hall Library in Belfast which is developing an ambitious programme of social inclusion projects; the Mellon Centre for Migration Studies at Omagh; the Cardinal Ó Fiaich Library and Archive in Armagh; and the NI Publication Resource.

### **Public Record Office of Northern Ireland (PRONI)**

During 2014-15, PRONI drove forward a range of achievements which were relevant to promoting equality, tackling poverty and social exclusion. PRONI continued to support the Inquiry into Historical Institutional Abuse by housing the Inquiry's research team and facilitating secure access to relevant records. It also responded positively to requests from the public for access to sensitive personal information, including by introducing a new process for conflict-related requests made under the Public Records Act (NI) 1923.

PRONI launched online an index of 13,169 coroner's inquest records dating from 1969 to 1996. The addition of this index to the PRONI online catalogue in May 2014 greatly assists people searching for information about the circumstances of their relatives' deaths.

March 2015 saw the completion of the PRONI Digital Preservation project by the PRONI in-house development team. The PRONI Digital Repository, ensures that digital information created now can still be accessed by the next generation.

Each year, PRONI makes available to the public the files of the Northern Ireland Departments and Northern Ireland Office (Belfast). During 2014-15, there were two releases, in August, 1,040 NI Department and NIO (Belfast) files from 1985 were made available and on 29 December 2014, PRONI released a further 749 files from 1986.

Throughout 2014-15, PRONI made an important contribution to lifelong learning by hosting public lectures and workshops. PRONI supported 150 group learning visits, 52 of which were from community groups, thereby exceeding the target of 40 community group visits.

There were 21,616 visits to PRONI in 2014-15, which was well above the DCAL Business Plan target of 17,760; 4,323 of these visits were by out of state visitors. PRONI recruited 5,016 new users. During the year, customers requested 36,586 documents from the repository. 98% of requested documents were retrieved within 30 minutes.

In the context of the *Decade of Centenaries*, PRONI published online the records of the people named on the Derry War Memorial (with Derry City Council). It produced a guide to First World War sources amongst its collections. It published extracts from first-hand accounts of the war and educational resources in English and Irish.

Against a Business Plan target of 13.5 million page views, the PRONI website attracted 11.6 million page views and the PRONI FLICKR stream a further 4.7 million page views.

More detailed information about PRONI's work under the Public Records Act 1923 is published in the Report of the Deputy Keeper to First Minister and deputy First Minister for 2014-15.

## Arts

DCAL is developing an Arts and Culture strategy to ensure recognition is given to the value the arts have in enriching the lives of individuals, communities and wider society. The vision for the strategy is that it is fully inclusive and that all stakeholders including arts groups, communities and individuals play an active part in the creative development of the strategy during this co-design phase which will lead to a public consultation starting early summer 2015.

The proposed Arts and Culture strategy is separate to the Arts Council NI's (ACNI) *Ambitions for the Arts 2013-2018* strategy and will not override or replace any existing strategies. Rather, it will be an overarching strategy that will promote the arts as a valued contributor to the economic and social well being of society and underpin support from across the Executive.

Through consultation with the public and stakeholder organisations, the purpose of the strategy will be to create the framework within which the Executive, relevant departments and public authorities recognise the relevance of the arts in their work and accept their collective responsibility in supporting and promoting the arts.

The lifespan of the strategy is up to 10 years and it will be monitored and reviewed appropriately to measure its impact.

A Ministerial Arts Advisory Forum, comprising representatives of the Arts sector has been set up. The Forum includes representation from theatres, festivals, academia, festivals, cultural, disabled and youth sectors. The Forum is chaired by the Chair of ACNI.

A Departmental Steering Group has also been established. All Ministers were asked to nominate a representative to the Group. The Group is chaired by the DCAL Director of Culture Division and there are representatives from DETI, DoE, DSD, DEL and OFMDFM. Libraries NI, National Museums NI and NI Screen are also represented on the Group.

Prior to formal consultation, a number of co-design events to engage with young people in particular are being arranged. A draft strategy will be produced and a public consultation will start in early summer 2015.

DCAL partnered ACNI and NI Screen during 2014-15 to deliver services which protect, nurture and grow the arts and creative industries sectors. It also invested in the arts by providing support for arts organisations to maximise the use of facilities, ranging from regional venues to local arts centres.

DCAL provided £12.823 million resource funding in 2014-15 to ACNI. This assisted ACNI to deliver on Departmental priorities in terms of promoting equality, tackling poverty and social exclusion as well as providing support to artists and arts organisations. This was the second year of the *Ambitions for the Arts 2013-2018* strategy, which aims to drive real change with a focus on increasing access to the arts for all and tackling barriers such as poverty and social exclusion.

Some of the headline achievements for ACNI during 2014-15 included:

- Ten Pieces – ACNI partnered *BBC Learning* to deliver a new UK wide arts initiative for primary schools. This inspires children to develop their own creative responses to ten set pieces of classical music. It runs through the school year and culminates in a major celebratory finale.
- Commonwealth Games - a significant UK wide programme of arts and cultural events supported the 2014 Commonwealth Games in July and August. Nineteen young people from here gained the opportunity to travel to Glasgow and collaborate with young people from across the Commonwealth and to perform with the National Theatre of Scotland and Scottish Youth Theatre.
- Culture Night - Belfast's liveliest evening of arts, culture and creativity welcomed over 200 events in 100 venues for an estimated 30,000 visitors.
- Creative & Cultural Belfast - ACNI and Belfast City Council invested £900,000 in a three year programme of events aiming to give everyone across the city the opportunity to get involved and be inspired by the arts. Participating organisations included Arts Ekta, Golden Thread Gallery, Culturlann, Spectrum Centre and Replay Theatre Company.
- City of Culture Legacy - ACNI in association with Derry City Council launched the three year *Derry Legacy Fund* to enhance the arts and culture programming of venues and organisations in the region and build on the achievements of City of Culture 2013.



- International opportunities in the Arts - Strengthening international opportunities for artists continued to be a priority area, the international platform *Corners - Turning Europe Inside Out* creates opportunities for artists to work on multidisciplinary collaborative projects. This was awarded a grant by EU/Creative Europe 2014-18 matching funding by local Corners Partners including ACNI and bringing the total budget up to €2,566,000.

DCAL continues to administer the Community Festivals Fund with £450,000 allocated to Councils in 2014-15. Councils match the funding allocated to them so £900,000 was provided in 2014-15 to support local community events with an emphasis on bringing communities together and bridging divides to make society here stronger and more integrated.

### **NI Screen**

DCAL provided approximately £2.0 million to NI Screen in 2014-15. This funding assisted NI Screen to deliver on the key Departmental priority of promoting equality, tackling poverty and social exclusion through *Creative Learning Centres (CLCs)* and *After School Film Clubs*. *Creative Learning Centres* provide unique learning opportunities for children and young people, teachers, youth groups and youth workers in the creative use of digital technologies, and the work of the centres was extended into rural and hard to reach areas with an expansion of activities in 2013-14. All CLC activity gave priority to young people in disadvantaged and marginalized groups and those living in poverty.

Specific performance targets to tackle poverty and social exclusion were set in the 2014-15 year and these were based on extended schools, special schools, schools in rural areas, youth and hard to reach groups. The Creative Learning Centres in Derry, Belfast and Armagh continued to expand geographically and exceeded their target of delivering 70% of activity to areas of social deprivation across NI. Other achievements during the year included 10 students from the north of Ireland gaining placements on the BFI Film Academy residential programme in National Film and Television School and supporting Film Clubs in 249 schools.

### **Creative Industries**

DCAL is the NI Executive lead on the creative industries – a sector recognised across the world for its potential for job and wealth creation. DCAL works closely with other departments and agencies, such as the Department of Enterprise, Training and Investment and Invest NI, to stimulate collaboration and a joint approach to developing the sector. The Department's broader focus on creativity and innovation also seeks to develop and



encourage new ideas and collaborations to fully harness the potential of the DCAL Family to tackle economic and social challenges.

The Creative Industries Innovation Fund (CIIF) was re-launched in July 2011 with refocused priorities to encourage export-focused activity, cross-sectoral collaborations and harnessing the innovation and entrepreneurial potential of the culture, arts and leisure base. The Department has a Programme for Government commitment to support 200 projects through the Fund by March 2015. Following conclusion of final allocations in February 2015 the Arts Council announced that a total of 203 awards had been made through the Fund. This exceeds the PfG target by 3.

In 2014-15 DCAL's input to the Executive's draft Innovation Strategy reinforced the value of the cultural base in supporting STEAM and creativity and innovation at all levels of society. The Strategy was agreed by the Executive in September 2014 and the strategy has significant references to the role of the creative and cultural base in supporting economic and social change.

DCAL's promotion of *Creativity Month* in March 2015 provided a region-wide promotional platform for creative approaches to economic and social challenges. Highlights included a keynote event examining creative approaches to the Decade of Centenaries, a diverse range of STEM/STEAM initiatives, and high profile conferences exploring issues such as digital technology in the classroom; best practice in music education; and career opportunities in the creative industries for people with autism. Libraries NI also coordinated an extensive and exciting programme which provided free workshops and activities covering many aspects of the creative industries.

In September 2014 a Ministerial Action Group on the Creative Industries brought together industry leaders, educators and trade bodies with interests across the diverse range of sub-sectors within the creative industries. The Action Group will provide a strategic forum enabling the diverse range of sub-sectors and stakeholders across the creative industries to engage with each other and with Government in a more effective and joined up way. It will enhance collaboration and identify opportunities and ways to tackle barriers to supporting the growth of the sector.

In 2014-15 DCAL and Invest NI continued to co-fund *Generator NI* – the music business development support programme. This programme aims to develop new markets, knowledge and networks for the local music business sector. It also seeks to foster cross-sector links within the wider creative industries. The programme supports four key strategic interventions: mentoring; market development; seminars and events; and talent development.

## **Together Building a United Community**

DCAL leads on one of the seven headline actions from the NI Executive's *Together: Building a United Community* (TBUC) strategy namely the development of a *Cross Community Youth Sports Programme*. A pilot project ran from Jan-Mar 2015 with participants aged 11-16 and young leaders aged 16-24 from the Lower Falls and the Greater Village areas in Belfast. The aim of the programme is to enhance good relations through the transformative power of Sporting and Creative activity.

Through a range of stimulating sports and creative activities the programme aims to provide our young people with the values, discipline, resilience and confidence to succeed on and off the pitch and to become ambassadors and leaders in their age groups and in their communities. The criteria for the roll-out of the *Cross Community Youth Sports Programme* will be informed by this pilot and by the independent evaluation will be completed early in 2015-16.

The pilot project will inform the wider roll-out of the programme across the north in subsequent years. The *Cross Community Youth Sports Programme* has the potential to be a vital element of TBUC by delivering a meaningful and sustained impact on good relations through the transformative power of sport.

## **Architecture and the Built Environment**

DCAL has lead responsibility for the Architecture and Built Environment (A&BE) policy here and has a Ministerial Advisory Group (MAG) to assist in carrying out this function.

Key Activities undertaken during the reporting period by the MAG included:

- Formal responses to 14 public consultations relevant to its field of expertise
- 17 Design Briefing reviews of projects at various stages of development
- Published Papers:
  - Civic Stewardship – doing more with what we've got Report & Recommendations*, Oct 2014
  - The Principles of Sustainable Design*, April 2014

The MAG continued to engage with councils including the new councils, and with NI Local Government Association to encourage civic stewardship, discovering how town centres are used and making the best use of existing assets.

The MAG, DCAL and the Strategic Investment Board continue to promote the web based creative consultation toolkit with new case studies added when they become available and are deemed suitable for inclusion.

The MAG continues to engage with the Central Procurement Directorate to encourage good design in the public sector procurement.

DCAL initiated a *Public Works Award* as part of the biennial Royal Society of Ulster Architects Design Awards which commenced in May 2014.

### **Decade of Centenaries**

The organisations, venues and resources supported by DCAL (such as museums, libraries and PRONI) continue to play a key role in setting an inclusive tone and telling the stories and different interpretations of the 1912-22 period. This *Decade of Centenaries* includes anniversaries such as the Signing of the Ulster Covenant, the Easter Rising, the First World War, Partition, Civil War, and the Suffragette Movement.

During 2014-15, DCAL and its ALBs have taken forward a wide range of planning and activities relevant to the period. For example, a new *Modern History Gallery* at Ulster Museum opened in November 2014 and includes an enhanced focus on the 1912-22 period. PRONI launched a *Guide to First World War* highlighting research sources and other materials available to community groups or individuals planning projects. *Creative Centenaries* is an initiative supported by DCAL and led by the Nerve Centre in Derry~Londonderry. It showcases digital storytelling and educational resources to highlight the role the creative industries and wider cultural sector can play in exploring one of Ireland's most defining periods. A graphic novel publication for pupils was launched telling personal stories from the Battle of the Somme and the Easter Rising. In March 2015 the Nerve Centre and the Community Relations Council and the Heritage Lottery Fund held a *Creative Centenaries Resource Fair* at Titanic Belfast. Over 250 delegates attended to share ideas on projects, creative activities and inclusive approaches to this period.

### **Inland Waterways**

DCAL manages and maintains in the region of 30km of towpath, primarily along the Lagan Navigation from Stranmillis to Sprucefield but also at the Coalisland Canal. It also manages 19 water recreation sites and the shooting rights over the foreshore of Lough Erne.

In 2014-15 DCAL provided support to a number of organisations including the Lough Neagh Partnership to continue its work promoting Lough Neagh as a cultural and recreational destination; Outdoor Recreation NI in support of its role in the strategic development, management and promotion of outdoor recreation; Lagan Valley Regional Park within which

the Lagan Navigation lies; and the Lagan Canal Trust which is presently drawing up plans for the potential re-opening of the 27 miles of the Lagan Navigation from Lough Neagh to Belfast Harbour.

In 2015-16 under the Review of Public Administration, 19 of DCAL's water recreation sites and responsibility for the Coalisland Canal will transfer to the newly formed council bodies. Work is presently ongoing to facilitate this transfer.

### **Waterways Ireland**

2014-15 was the first year of Waterways Ireland's new Corporate Plan with its focus on broadening the range of activities along the waterways and increasing their use.

Key achievements over the period included:

- 35 events in the north were offered sponsorship via the *Sponsorship Programme*. The sponsored events attracted thousands of participants and spectators, generating income for local businesses and communities. Joint marketing initiatives such as the *Lakeland and Inlands Waterways Programme*, in partnership with Fáilte Ireland, Tourism Ireland and Fermanagh Lakeland Tourism continued work to promote the inland waterways for tourism.
- New partnerships were developed to support volunteer opportunities along the navigation, including *Row the Erne* – a community initiative which built a 33ft traditional Irish boat. Over 300 adults and children enjoyed journeys on the boat over its first 9 months of operation. The boat is based on Waterways Ireland moorings at its HQ in Enniskillen.
- A Built Heritage Survey of the Lower Bann provided an inventory of 343 heritage sites and a detailed history of the Bann from 7900 BC.
- Extensive consultation was undertaken with the Royal Society for the Protection of Birds and the NI Environment Agency, in order to prepare Environmental Impact Reports and an overarching Habitat Regulations Assessment to accompany a successful planning application for 18 single point moorings, located throughout Upper and Lower Lough Erne. Waterways Ireland is also working in partnership with Inland Fisheries Ireland, Queen's University Belfast and other international research institutions to fund a PhD research project investigating appropriate control and management measures for invasive species in these lakes.
- The *Schools' Education Programme* was expanded and included a mix of classroom based learning and site visits to the waterways. Teachers' packs continued to be

issued to primary schools, and students from 16 primary schools took part in *Engineers Week*.

- An ongoing maintenance programme allowed over 99% of the navigations to remain operational from April to October. Lock passages across all navigations increased by 5% from 2013. 160 m of floating moorings were installed at Crom Castle on Lough Erne, which provide access for people with disabilities.
- The Inspectorate continued to enforce the existing bye laws and attend waterway events. New bye laws for the Erne System were developed for consideration by the sponsoring departments.
- The use of e-technology was developed and on-line navigational guides were produced for the Lower Bann and Erne System, providing improved access to information for the waterways users.

### **North/South Language Body**

DCAL and the Department for Arts, Heritage and the Gaeltacht jointly sponsor the North/South Language Body. Both Agencies of the Language Body (Foras na Gaeilge and the Ulster-Scots Agency) continue to promote, encourage, educate and support groups, organisations and individuals working in language development and Ulster-Scots culture and heritage.

In order to support Ulster-Scots heritage cultural and language activities in 2014-15 the Ulster-Scots Agency provided grants of approximately £1.2m to a wide range of community and voluntary groups in 2014. Key achievements during 2014 included:

- provision of support for 22 summer schools that catered for 1000 young people throughout the north and the border counties;
- support for 30 after-school clubs that provided a variety of cultural and linguistic opportunities and 22 community festivals;
- support for 20 primary schools in the scheme to work towards securing Ulster-Scots flagship school status;
- the delivery of piping and drumming tuition to a minimum of 60 students as part of the *Juvenile Pipe Band* project with at least 30 students to gain formal accreditation from the Piping and Drumming Qualification Board. The students also took part in 12 performances, 2 competitions and represented the Agency at many other events;

- Promotion of Ulster-Scots at a *Westminster Showcase* (February), *Bannockburn Live* (June), and at the *Bruce Festival, Dunfermline* (July);
- Two heritage trails on *Belfast Christian Heritage* and *Belfast Architectural Heritage* were launched in July 14 in partnership with Belfast Civic Trust;
- A Burns Night Concert with Ulster Orchestra (January);
- Promotional activity at Belfast Maritime Festival (May), the NI Countryside Festival (May/June), and the Dalriada Festival (July);
- Support for the Siege of Carrickfergus re-enactment event, (July), the Scotch Quarter Festival (August) and St Andrew's Day at Carrickfergus Castle (November) with Carrickfergus Borough Council.

During 2014-15 progress was made in a number of areas within Foras na Gaeilge which included:

- Promotion of the language amongst more than 5,000 young people between the ages of 3 and 18 through funding of €154,954 for 79 summer camps and €277,566 for 66 youth events;
- New funding arrangements, approved by the North South Ministerial Council in July 2013, involving the six new lead organisations, with ancillary arrangements for community radio and an tÁisaonad;
- 70% of material made available for the new online English-Irish Dictionary on its website [www.focloir.ie](http://www.focloir.ie);
- The continuation of the strategic review of funding for Irish-language media;
- A new online news service launched in October 2014 on [www.tuairisc.ie](http://www.tuairisc.ie);
- Approval of funding for a three-year contract for an online lifestyle magazine for [nos.ie](http://nos.ie).

### **Other Linguistic Initiatives**

On the 30 January 2015 DCAL published separate strategies on Irish and Ulster-Scots entitled.

- Strategy to Enhance and Protect the Development of the Irish Language

- 2015 – 2035; and  
Strategy to Enhance and Develop the Ulster-Scots Language, Heritage and Culture 2015 – 2035.

The Strategies set out roadmaps for the Irish language and Ulster-Scots language, heritage and culture over the next 20 years in a range of areas such as education, public services, the community and the media.

DCAL launched a 12 week public consultation on proposals for an Irish Language Bill on 10th February 2015. The consultation document contained a wide range of proposals which allowed the public to give their views on the range of provisions which Acht na Gaeilge might contain.

Since being established in March 2011, £3.4 million has been invested through the Ministerial Advisory Group (MAG) Ulster-Scots Academy and 76 projects supported across the three work streams of language and literature, education and research and history, heritage and culture. The MAG Ulster-Scots Academy has also developed as part of its remit, a shortlist of options and a preferred proposal for the creation of a physical Ulster-Scots Academy to maximise the social, economic, community and cultural benefit of Ulster-Scots. The Minister for Culture, Arts and Leisure intends to conduct a public consultation to ensure that the public and stakeholders will have their say in what the Academy will seek to achieve.

Over £500k has been invested in the development of the new Ulster-Scots Hub and Discover Ulster-Scots Centre at Corn Exchange, Cathedral Quarter, Belfast, which opened in November 2014.

### **Gaeltacht Quarter Programme**

The DCAL Minister launched the programme to re-invigorate the Belfast Gaeltacht Quarter in September 2013, with its physical hub on the Falls Road, and with the Irish language at its heart. DCAL has responsibility for leading the implementation of the Gaeltacht Quarter Action Plan which identifies a series of actions that fall to various Executive departments, including DCAL.

The Gaeltacht Quarter includes some of Belfast's most deprived wards and DCAL wishes to reinvigorate the Gaeltacht Quarter Programme to stimulate investment in the area and empower the local community to use the Irish language and culture to drive forward economic regeneration, social cohesion and to contribute to the diversity of the city.

The actions referred to in the action plan cover areas such as housing, sport, links to the city, tourism, the arts, education, economic investment and jobs.

During 2014-15 DCAL funded Irish language development staff in Forbairt Feirste in the heart of the Gaeltacht Quarter. DCAL and Forbairt Feirste have worked together in organising events such as an Cothaigh, the annual Gaeltacht Quarter Lecture, which provided a high profile public platform for the Quarter and brought together key stakeholders and individuals of influence. DCAL also funded the annual careers fair in the Quarter, the only Irish Medium jobs fair on the island. Organisations from the North and South came together under one roof to showcase opportunities in the Irish language for school pupils of all ages. Funding was also provided to celebrate and promote the history of the Quarter through publications and archives being made available to the public and visitors to the area.

In December 2013, DCAL provided funding for the new handball building in the grounds of Coláiste Feirste, the Irish-medium secondary school. This project is scheduled to be completed in April 2015. A number of other capital projects such as Lónra Uladh (new premises for Raidió Fáilte) and Aras na bhFal (Irish language learning hub at the junction of Broadway and Falls Road) which make up the Gaeltacht Quarter programme are at the pre-planning stage and discussions are ongoing with other potential funding partners to critically assess business cases and secure the necessary funding to deliver them.

DCAL along with Belfast City Council and the Irish language organisation An Ciste, have provided capital funding for the refurbishment of the Cumann Chluain Ard Irish language community and educational centre. The building is over 70 years old and has provided learning and social facilities for Irish learners and speakers of all levels without any government support throughout this period. The much needed refurbishment will provide a new state of the art facility. It is due to be completed by late summer/autumn 2015.

### **Sign Language Partnership**

The Sign Language Partnership Group, which DCAL supports, aims to improve access to public services for sign language users by continuing to work in partnership with Deaf organisations and empowering Deaf sign language users to inform policy to enable them to participate in society as equals to the hearing community. In 2014-15 DCAL approved funding in excess of £149,000 for a variety of projects by deaf organisations and from organisations providing services on behalf of deaf sign language users and their families.

These projects provided free sign language courses and qualifications to deaf children, young people, children of deaf adults and parents of deaf children. Free deaf awareness and basic sign language courses were also provided to voluntary and community sector groups and organisations which provide services, advice and counselling to the deaf community. A project to promote sign language and deaf awareness across the university of Ulster campuses and some schools across the north were also funded through support for the 15 deaf teachers studying for their PGCE accreditation. Various leadership, advocacy, deaf cultural and educational courses were also funded. Financial support was also provided to



bring the World Congress on Mental Health and Deafness to Belfast - the first time the Congress has been held in Ireland or UK.,

A project that tackles the social exclusion felt by deaf sign language users among older British/Irish sign language users in Derry has also been supported through exploration of ISL culture and heritage.

These projects promote a sense of citizenship among deaf sign language users and tackle the strong sense of social exclusion felt by deaf sign language users and their families and improve accessibility to services.

### **Cultural Awareness**

The Cultural Awareness Strategy aims to address historical tensions by developing greater understanding, tolerance and respect for indigenous cultural traditions. The Gaelic Athletic Association and the Grand Orange Lodge of Ireland received funding in the 2014-15 financial year to deliver a number of projects in both their own and each other's declared communities as well as a holding two joint good relations event in Bessbrook and Lisburn. 2014-15 is the final year of the Strategy and an evaluation of its achievements is ongoing. Both organisations exceeded their targets for each year of the Strategy and a final report from each organisation will feed in to this evaluation.

### **Review of Arm's Length Bodies**

The Department has completed reviews on five of its arm's length bodies, namely Arts Council NI, National Museums NI, Armagh Observatory and Planetarium, NI Screen and Sport NI. All reviews concluded that the functions should be retained and that the delivery models were appropriate. A number of recommendations are being taken forward by the relevant sponsor branches and the arm's length bodies as a result of the reviews.

The review of NI Museums Council is nearing completion with the recommendation that the functions should be transferred into National Museums NI. Consultation has not yet completed but in the meantime it has been agreed that the NI Museums Council's operations should relocate to National Museums NI premises by summer 2015 to produce immediate savings.

### **S75 Equality Duty**

Section 75 of the Northern Ireland Act 1998 places a duty on the Department, requiring it in carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity between:

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

The Act also requires the Department to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

### **Disability Duties**

Under Section 49A of the Disability Discrimination Act 1995 (DDA 1995) (as amended by Article 5 of the Disability Discrimination (Northern Ireland) Order 2006), the Department is required when carrying out its functions to have due regard to the need to:

- promote positive attitudes towards disabled people; and
- encourage participation by disabled people in public life.

These are collectively referred to as the 'disability duties'.

In line with Section 49b of the Act, the Department is required to submit to the Equality Commission a Disability Action Plan (DAP) showing how it proposes to fulfil these duties in relation to its functions.

### **Equality and Good Community Relations**

The promotion of equality and good community relations is at the forefront of all DCAL's programmes and activities. When considering the funding of programmes or projects, appropriate equality screening is conducted to ensure that the funding is used to benefit all sections of society and/or, if appropriate, that specific under-represented groups are targeted. DCAL periodically conducts an Audit of Inequalities to inform targeting in respect of under-represented groups. A more comprehensive listing of actions taken by the Department in relation to its equality duties is detailed in DCAL's Annual Report to the Equality Commission.

## EU Engagement

A positive, sustained and systematic engagement with Europe will play a key role in growing the economy and tackling disadvantage. DCAL is represented on the Inter-Departmental European Working Group dealing with maximising European engagement and on collaborating to deliver on the Programme for Government target in relation to increasing competitive EU drawdowns by 20%

In September 2014, the Arts Council was awarded funding from Creative Europe as part of a consortium application as a large co-operation project. *CORNERS* is a £2.5m project which received 50% support or €1.28m from the culture sub-programme of the Creative Europe funding stream. The Arts Council's share of this is £208k with £123k own funding and £85k from Creative Europe. *CORNERS* is a platform for artists and audiences and its objective is to enable artistic exchange across geographical, political and economic divisions.

In April 2015, two organisations were successful in their Creative Europe applications as small co-operation projects. The Nerve Centre has been awarded 52.44% or €200,000 of support towards "Future artists-maker labs" which will harness the creative power of three leading *Fab Labs* in Derry-Londonderry, Limerick (University) and Madrid 9Ultra-Lab).

The cross-border agency, Foras na Gaeilge has been awarded 31.31% or €200,000 of support towards *Other Words – Literary Circuit for Small and Minority Languages*. The project lead is in Spain with project partners from Slovenia, Sweden and Macedonia.

## Research

DCAL's [Research Programme](#) is published annually. It outlines the aims and principles of the research programme in DCAL. The programme is led by DCAL's Departmental Board and jointly managed by DCAL's Head of Economics and Head of Research and Statistics. The DCAL Research Programme for 2014-15 was centred around six main themes linked to promoting equality and tackling poverty and social exclusion:

- Impact of culture, arts and leisure on poverty;
- Equality of access to culture, arts and leisure for people living in poverty;
- Equality of access to culture, arts and leisure for people who are socially excluded;
- Social cohesion and united communities;
- Protecting and enhancing Irish and Ulster-Scots; and
- Monitoring participation and attendance rates in culture, arts and leisure.

## **Asset Management**

Asset management involves the development, implementation and maintenance of DCAL's Asset Management Plan and the Northern Ireland Executive's Asset Management Strategy (AMS), which was approved in June 2013. The Departmental Asset Management Plan and the Asset Management Plans of its ALBs reflected the AMS proposals for tackling fragmentation which exists across government in the management of office accommodation and surplus lands. These proposals are being applied through the DFP Reform of Property Management Project. The Project aims to centralise the management of office accommodation by transferring office properties, and associated management responsibility, from all departments and their ALBs into a shared service within an expanded Department of Finance & Personnel Properties Division.

The Departmental Asset Management Plan also reflected the property controls required within the AMS. These controls have been implemented and are adhered to by DCAL and its ALBs and as a result upcoming leases are being assessed with a view to making savings. The NI Museums Council lease for Crescent Gardens will be exited in 2015-16.

The Department is also responsible for the maintenance of ePIMS, a central property asset register across the public sector, for both DCAL and its ALBs. The first Northern Ireland State of The Estate report was published in December 2013, utilising the information held on ePIMS. A representative also sits on the Northern Ireland wide Asset Management Forum which is responsible for co-ordinating the mobilisation of the Executive's requirements for improved asset management across the public sector.

## Sustainability Report

DCAL is committed to ensuring that sustainable development becomes an integral part of its business. We are committed to ensuring that future generations enjoy the opportunity to play and watch sports, visit arts venues, libraries and museums, enjoy our inland waterways and fisheries, and live and work in well designed buildings.

Through *Sport Matters*, DCAL aspires to secure a sustainable sporting and physical recreation culture that contributes to broader Government objectives. Public libraries help communities to be active, safe and inclusive. They provide a civic space which is neutral and welcoming to everyone together with a range of printed and online information and resources for learning, knowledge and information and which helps to strengthen a community and improve participation in society and leadership. In designing new libraries and in refurbishing existing library buildings, attention is paid to the need to ensure the preservation of natural and historic resources.

DCAL's strategic approach with partners to regulate fisheries and to conserve, enhance and restore habitats places sustainability at its core. Our approach aims to ensure that the fish populations which support our salmon and inland commercial and recreational fisheries are sustained within safe biological limits. This contributes directly to the Executive's PfG Priority 3 which includes protection of the environment.

Sustainable development is a guiding principle of the Architecture and Built Environment policy published by DCAL in 2006.

DCAL continues to participate in cross-departmental working groups including the Cross-Departmental Working Group on Climate Change.

Examples of good practice contributing to sustainable objectives includes the following:

### **Sustainability Report continued**

Examples of how the Department complies with the Sustainable Development Statutory Duty include:

- (i) From May 2014, The RSUA Design Awards include a new Public Works Award introduced by DCAL;
- (ii) In 2012 the Ministerial Advisory Group (MAG) for architecture and the built environment participated in the public consultation for Colin New Town centre. Working with Colin Neighbourhood the MAG ran a pilot transport initiative to connect people and places previously not served by public transport;
- (iii) Business cases such as the stadia require the consideration of economic and social sustainability;
- (iv) Post Project Evaluation reports for major capital projects require the consideration of environmental impacts;
- (v) Recent capital projects such as PRONI HQ, Tollymore National Outdoor centre have been awarded BREEAM Excellent;
- (vi) Sustainable development is one the guiding principles which underpin the Architecture and Built Environment policy. Through good stewardship and design buildings and of places contribute to social, environmental and economic objectives;
- (vii) During design and briefing reviews the MAG encourages Project teams to consider sustainable development;
- (viii) In June 2014 MAG published guidance on the Design Principles for Sustainable Design combining a very strong ethical and environmental case with construction science and technology  
[http://www.dcalni.gov.uk/the\\_principles\\_of\\_sustainable\\_design.pdf](http://www.dcalni.gov.uk/the_principles_of_sustainable_design.pdf)
- (ix) Compliance with the Carbon Reduction Commitment Scheme;
- (x) Facilitating staff in working from home;
- (xi) Promoting public transport and car sharing while reducing car parking;
- (xii) Promoting the Cycle to Work scheme and the Tax Smart scheme (to encourage staff to use public transport).

## Financial Commentary

### Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2014-15 £'000	2013-14 £'000 Restated
<b>Net Resource Outturn (Estimates)</b>	<b>138,262</b>	<b>147,442</b>
<i>Adjustments to remove:</i>		
Prior Period Adjustment*	(49)	8
<i>Adjustments to additionally include:</i>		
Consolidated Fund Extra Receipts in the SoCNE	(4)	(335)
<b>Net Operating Cost (Accounts)</b>	<b>138,209</b>	<b>147,115</b>
<i>Adjustments to remove:</i>		
Capital Grants	(24,287)	(13,320)
Grants-in-aid payable to Non Departmental Public Bodies	(88,914)	(99,994)
Notional Charges	(1,995)	(2,006)
<i>Adjustments to additionally include:</i>		
Other Consolidated Fund Extra Receipts	-	335
Resource Consumption of Non Departmental Public Bodies	88,598	95,735
<b>Resource Budget Outturn (Budget)</b>	<b>111,611</b>	<b>127,865</b>
Of which		
Departmental Expenditure Limits (DEL)	104,480	121,726
Annually Managed Expenditure (AME)	7,131	6,139

\*a prior period adjustment was made in order to correct input VAT claimed on expenditure.

## **Comparison of Outturn against Estimate**

As disclosed in the Statement of Assembly Supply the total Departmental budget for 2014-15 was £140,547k. Actual net expenditure incurred during the year was £138,262k. The major variances were in respect of:

### **1 Museums**

The Department authorised increased spend post January Monitoring to offset anticipated under spends elsewhere.

### **2 Cultural Policy**

Too much budget was allocated to this area in error resulting in an underspend. A portion of this budget should have been allocated to North/South Body Language Departmental Overheads

### **3 North/South Body – Language Departmental Overheads**

Too little budget was allocated to this area in error resulting in an overspend. A portion of this budget should have been allocated to Cultural Policy.

### **4 Provisions**

The underspend occurred as an in year provision was partially utilised after the Estimates were approved, resulting in a reduction in the amount of provision required.

### **5 Revaluations**

The Estimate for AME revaluation cover was based on expected asset values generated by indices in December. Indices at year end determined that asset values had increased, hence the negative charge.

### **6 Sports Council for Northern Ireland**

The reduction in cash requirement is as a result of timing differences around the settlement of year end creditors.

### **7 Waterways Ireland**

The reduction in cash requirement resulted from favourable exchange rate movements and a reduction in the body's pension cost requirement.



**Policy on Payment of Suppliers**

The Department is committed to the payment of all invoices not in dispute within agreed contractual provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). In the year ended 31 March 2015, 99% (2013-14: 98%) of invoices were paid within these limits. 97% of invoices were paid within 10 days (2013-14: 94%).

**Cost Allocation and Charging Requirements**

Where appropriate, the Department has complied with the cost allocation and charging requirements set out in HM Treasury and the Office of Public Sector Information guidance.

**Denis McMahon**

Accounting Officer for the Department of Culture, Arts and Leisure  
24 June 2015

## Remuneration Report

### Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with Senior Salaries Review Board report which he commissioned in 2010. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

### Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.nicscommissioners.org](http://www.nicscommissioners.org).

### Off payroll engagements at a cost of over £58,200

	2014-15	2013-14
Opening number at 1 April	-	-
Number of new engagements	2	-
Number of engagements that have come to an end	(1)	-
<b>Closing number at 31 March 2015</b>	<b>1</b>	-

The 2 new engagements during the year both commenced prior to 1 October 2014.

## Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the Department.

### Minister's Remuneration (Audited)

Minister	2014-15				2013-14			
	Salary £	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)*	Total (to nearest £1000)	Salary £	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)*	Total (to nearest £1000)
Carál Ní Chuilín MLA Minister	38,000	-	12,000	50,000	38,000	-	15,000	53,000

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

## Senior Management Remuneration (Audited)

Officials	2014-15					2013-14				
	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)
Dr Denis McMahon <i>Permanent Secretary</i> (from 30 March 2015)	0-5 (105-110 full year equivalent)	-	-	1	0-5	-	-	-	-	-
Mr Peter May <i>Permanent Secretary</i> (to 14 November 2014)	65-70 (105-110 full year equivalent)	-	-	35	100-105	90-95 (100-105 full year equivalent)	-	-	78	165-170
Mrs Cynthia Smith ** <i>Deputy Secretary</i>	100-105	-	-	71	170-175	95-100	-	-	14	110-115
Mr Barney McGahan <i>Deputy Secretary</i> (from 17 November 2014)	35-40 (100-105 full year equivalent)	-	-	3	40-45	-	-	-	-	-
Mr Mick Cory <i>Director</i> (to 29 August 2014)	25-30 (70-75 full year equivalent)	-	-	6	35-40	70-75	-	-	10	80-85
Mrs Deborah Brown <i>Director</i> (to 29 August 2014)	25-30 (65-70 full year equivalent)	-	-	30	55-60	65-70	-	-	13	75-80
Ms Maggie Smith <i>Director</i>	65-70	-	-	20	85-90	35-40 (65-70 full year equivalent)	-	-	9	40-45
Mr Arthur Scott <i>Director</i>	65-70	-	-	25	90-95	65-70	-	-	11	75-80
Mr Stephen McGowan <i>Director</i>	60-65	-	-	-	60-65	20-25 (65-70 full year equivalent)	-	-	-	20-25
Mr David Carson <i>Director</i> (from 1 September 2014)	45-50 (75-80 full year equivalent)	-	-	12	55-60	-	-	-	-	-
Mr Fergus Devitt <i>Director</i> (from 1 September 2014)	40-45 (65-70 full year equivalent)	-	-	12	50-55	-	-	-	-	-

Mr Aidan Cassidy <i>Acting Director</i> (from 1 March 2015)	5-10 (65-70 full year equivalent)	-	-	13	15-20	-	-	-	-	-
Mr Michael O'Dowd <i>Acting Director</i> (from 15 August 2014 to 14 September 2014)	5-10 (65-70 full year equivalent)	-	-	1	5-10	-	-	-	-	-
Mr John West <i>Non-Executive Director</i>	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Ms Marie Mallon <i>Non-Executive Director</i>	0-5	-	-	-	0-5	5-10	-	-	-	5-10

<b>Band of Highest Paid Director's Total Remuneration</b>	105-110	100-105
<b>Median Total Remuneration</b>	26,711	26,263
<b>Ratio</b>	4.0	3.9

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

\*\* *Cynthia Smith held the post of Permanent Secretary for the period from 17<sup>th</sup> November 2014 to 27<sup>th</sup> March 2015*

## **Fair Pay**

In line with government implementation of Hutton Review of Fair Pay to improve on transparency and public accountability, reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in DCAL for the 2014-15 financial year was £105-110k (2013-14: £100-105k). This was 4 times (2013-14: 3.9 times) the median remuneration of the workforce, which was £26,711 (2013-14: £26,263).

The calculation is based on the full-time equivalent staff of the Department at the reporting period end date on an annualised basis. Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For the 2014-15 financial year, the slight increase in the median ratio to 4 (2013-14: 3.9) has arisen due to an increase in the banded remuneration of the highest paid director to £105-£110k (2013-14: £100-£105k) following the implementation of the 2014 pay award. The pay award was applied to all other staff which, along with a reduction in the number of temporary staff employed at administrative grades, also resulted in a small increase in the median remuneration to £26,711 (2013-14: £26,263) however the upward movement in banded remuneration of the highest paid director outweighed this increase and as a result the median ratio showed a slight increase in 2014-15.

## **Salary**

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation and any gratia payments.

The Department of Culture, Arts and Leisure was under the direction and control of Carál Ní Chuilín MLA during the financial year. Her Ministerial salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in this resource account. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

## **Benefits in kind**

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

No benefits in kind were received in this financial year.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year which they become payable to the individual.

No bonuses were paid in this financial year, nor in the previous financial year.

## *Pension Benefits*

### **Pension of Minister (Audited)**

Minister	Accrued pension at pension age as at 31/3/15	Real increase in pension at pension age	CETV at 31/3/15	CETV at 31/03/14	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Carál Ní Chuilín MLA <i>Minister</i>	0-5	0-2.5	40	30	6

## **Ministerial pensions**

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2012 (AMPS). The scheme is made under s48 of the Northern Ireland Act 1998. As Ministers will be Members of the Legislative Assembly they may also accrue an MLA's pension under the AMPS (details of which are not included in this report). The pension arrangements for Ministers provide benefits on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50<sup>th</sup> or 1/40<sup>th</sup>) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 7% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 21.6% of the Ministerial Salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach 65 or immediately on ceasing to be an active member of the scheme if they are already 65.

### **The Cash Equivalent Transfer Value (CETV)**

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **The real increase in the value of the CETV**

This is the increase in accrued pension due to the Department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using common market valuation factors for the start and end of the period.



### Pensions of Senior Management (Audited)

Officials	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31/3/15	CETV at 31/3/14	Real increase/ (decrease) in CETV	Employer Contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr Denis McMahon <i>Permanent Secretary</i> (from 30 March 2015)	5-10	0-2.5	115	115	-	-
Mr Peter May <i>Permanent Secretary</i> (to 14 November 2014)	40-45 plus 55-60 lump sum	0-2.5 plus 0-2.5 lump sum	639	585	27	-
Mrs Cynthia Smith * <i>Deputy Secretary</i>	40-45 plus 120-125 lump sum	2.5-5 plus 10-12-5 lump sum	868	762	67	-
Mr Barney McGahan <i>Deputy Secretary</i> (from 17 November 2014)	45-50 plus 145-150 lump sum	0-2.5 plus 0-2.5 lump sum	1,137	1,145	3	-
Mr Mick Cory <i>Director</i> (to 29 August 2014)	25-30 plus 75-80 lump sum	0-2.5 plus 0-2.5 lump sum	525	511	8	-
Mrs Deborah Brown <i>Director</i> (to 29 August 2014)	10-15 plus 35-40 lump sum	0-2.5 plus 2.5-5 lump sum	163	142	19	-
Ms Maggie Smith <i>Director</i>	15-20 plus 50-55 lump sum	0-2.5 plus 2.5-5 lump sum	342	309	16	-
Mr Arthur Scott <i>Director</i>	30-35 plus 100-105 lump sum	0-2.5 plus 2.5-5 lump sum	733	677	22	-
Mr Stephen McGowan <i>Director</i>	-	-	-	-	-	-
Mr David Carson <i>Director</i> (from 1 September 2014)	25-30 plus 80-85 lump sum	0-2.5 plus 0-2.5 lump sum	602	567	12	-
Mr Fergus Devitt <i>Director</i> (from 1 September 2014)	20-25 plus 70-75 lump sum	0-2.5 plus 0-2.5 lump sum	427	413	8	-
Mr Aidan Cassidy <i>Acting Director</i> (from 1 March 2015)	25-30 plus 80-85 lump sum	0-2.5 plus 0-2.5 lump sum	517	506	11	-

Mr Michael O'Dowd <i>Acting Director</i> (from 15 August 2014 to 14 September 2014)	5-10	0-2.5	173	171	2	
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**\* Cynthia Smith held the post of Permanent Secretary for the period from 17<sup>th</sup> November 2014 to 27<sup>th</sup> March 2015**

## Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (*Classic*, *Premium*, and *Classic Plus*). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under *Classic*, *Premium* and *Classic Plus* are increased annually in line with changes in the Consumer Price Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the *Nuvos* arrangement or they can opt for a partnership pension account. *Nuvos* is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI.

A new pension scheme, *alpha*, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. *alpha* is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are increased annually in line with increases in the CPI.

For 2015, public service pensions will be increased by 1.2% for pensions which began before 6 April 2014. Pensions which began after 6 April 2014 will be increased proportionately.

Employee contribution rates for all members for the period covering 1<sup>st</sup> April 2015-31<sup>st</sup> March 2016 are as follows:

Scheme Year 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016

Pay Band – assessed each pay period		Contribution rates: Classic members	Contribution rates: classic plus, premium, nuvos and alpha
From	To	From 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016	From 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016
£0	£15,000.99	3%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Where members have reached retirement the figures shown reflect actual pension and lump sum paid including any enhanced elements. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of *Classic*, *Premium*, and *Classic Plus* and 65 for members of *Nuvos*. The normal pension age in *alpha* will be linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website [www.dfpni.gov.uk/civilservicepensions-ni](http://www.dfpni.gov.uk/civilservicepensions-ni)

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

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

### **Compensation for loss of office**

The Department incurred no compensation for loss of office in 2014-15.



### **Denis McMahon**

Accounting Officer for the Department of Culture, Arts and Leisure

24 June 2015

STATEMENTS  
AND  
CERTIFICATES

## Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (NI) 2001, DFP has directed the Department of Culture, Arts and Leisure to prepare for each financial year resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department, and of its net resource outturn, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Financial Reporting Manual prepared by DFP, and in particular to:

- Observe the Accounts Direction issued by DFP, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going-concern basis.

DFP has appointed the Permanent Head of Department as Accounting Officer of the Department, with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in Managing Public Money Northern Ireland.

## **Governance Statement**

### **1. Introduction and Context**

The purpose of this Statement is to attest to the continuing effectiveness of the governance arrangements of the Department of Culture Arts and Leisure (DCAL) that support the achievement of our organisational policies, aims and objectives.

It sets out the governance structures, risk management and internal control procedures that have operated within DCAL during the financial year 2014-15 up to the approval of the Annual Report and Accounts, and accords to DFP guidance. In signing this statement I am describing the actions undertaken during the period 1 April 2014 to date of signature. The following statement, whilst primarily focusing on the Department, incorporates issues within its 10 Arms Length Bodies (ALBs) including 2 North/South Implementation Bodies (N/S Bodies), which deliver services directly to the public. Each ALB publishes its own individual Governance Statement (GS) within their published annual report and accounts (excluding N/S Bodies who continue to prepare Statements of Internal Control (SIC)).

### **2. Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of DCAL's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI). This involves ensuring that DCAL is appropriately structured, resourced subject to available budget and governed to deliver on our departmental commitments within the Programme for Government (PfG) and on our priorities in terms of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE).

To give practical effect to these responsibilities I have put in place the following strategic arrangements:

- As part of the strategic business planning process, the DCAL Minister discusses and approves the Department's Corporate and Business Plans which are developed and finalised by the Departmental Board. These include reference to the Department's approach to risk management; and
- At departmental level, the Departmental Board (the Board) has ensured that procedures are in place for verifying that all aspects of risk management and internal control are regularly reviewed. A Corporate Risk Register has been established with input from staff at various levels. Risk management has been incorporated into the corporate planning and decision making processes of the Department.

I also combine my Accounting Officer role with my responsibilities to the Minister; which include providing advice on the full range of departmental functions including the allocation of departmental resources and the setting of appropriate financial and non financial performance targets for ALBs. There were no Ministerial directions in the 2014-15 financial year.



I have designated a senior official in each ALB as Accounting Officer for their organisation and whilst I have a duty to satisfy myself that the Department's ALBs have adequate systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity, I rely upon assurances received, formally or otherwise, from the Accounting Officer of each ALB and the Chair of the Board (with the exception of Waterways Ireland which does not have a Board).

### **3. Compliance with the 'Corporate Governance in Central Government Departments Code of Good Practice NI 2013'**

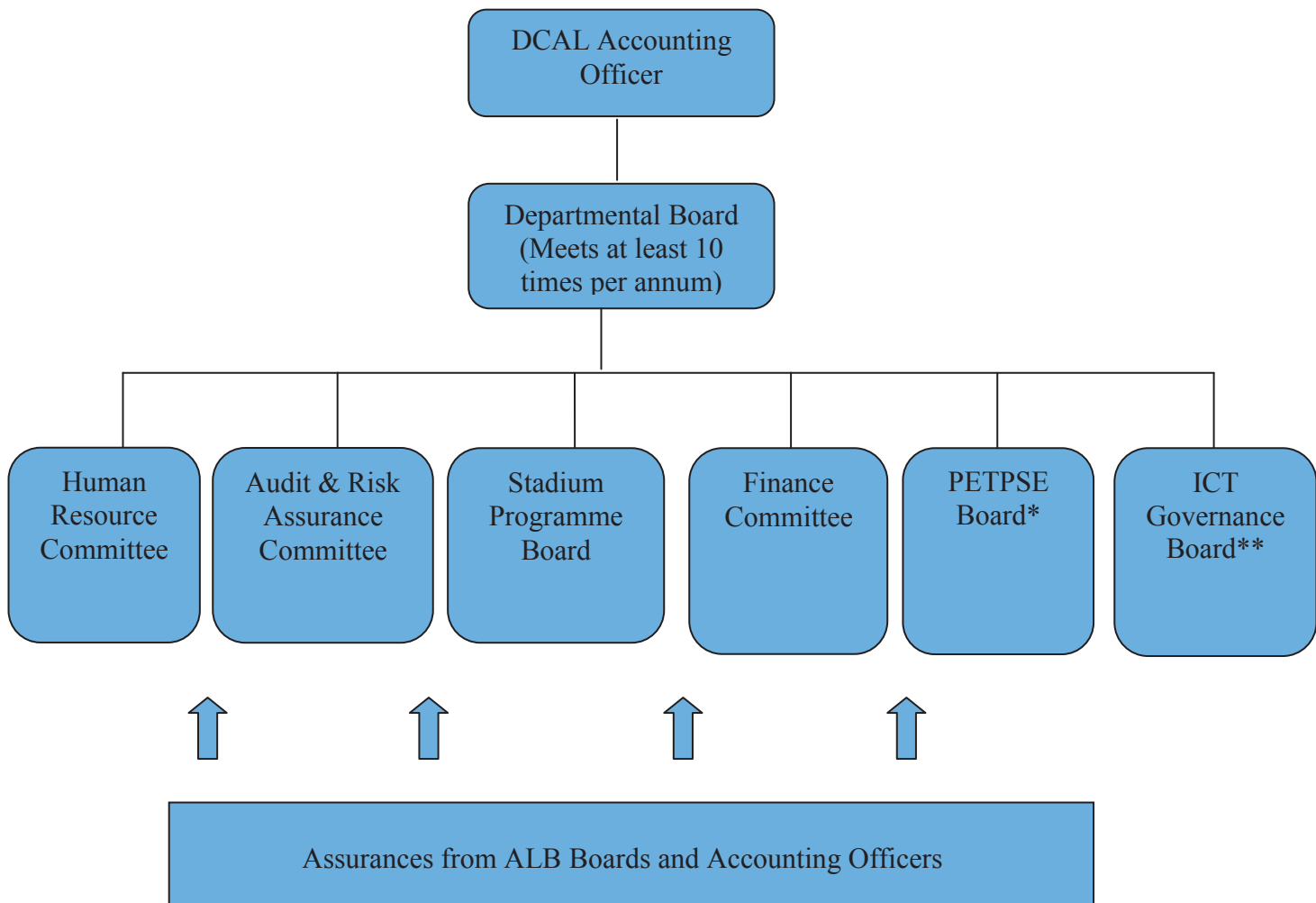
The 'Code of Good Practice NI 2013' (the Code) replaced the 2005 HM Treasury (HMT) code for the 2014-15 Financial Year. It has been written for NI departments and it concentrates throughout on key principles of good governance. As such the Department's Arm's Length Bodies have been encouraged to consider and adopt the practices set out in the Code wherever relevant and practical and suits their business needs. If the Department or any of its ALBs considers it necessary to depart significantly from the guidance set out in the Code then this departure should be explained in the Governance Statement with a description of the alternative governance measures that have been put in place which have similar effect to the principles set out in the Code.

In 2013-14 the Department undertook a review of compliance with the Code to establish if we were applying the principles of good practice. Results of the review showed the Department was largely compliant, however there were a number of areas that required strengthening. Progress in these areas is detailed below:

- Board Operating Framework (BOF) – Schedule of Delegations, Mechanisms for Feedback & a De-minimis Threshold - the BOF was revised in September 2014 to include a schedule of agreed delegations to Committees of the Board. Although operating in practice, mechanisms for feedback & assurance e.g. circulation of minutes of committee meetings and update reports, still need to be more clearly articulated in the BOF. Consideration of a de-minimis threshold is to be taken forward by a new Delivery Board, set up on 1 April 2015.
- Engaging Effectively with ALBs – a number of measures were taken forward in 2014-15 in order to improve engagement. These included Board out-meetings held on ALB premises, the creation of an ALB Strategic Forum and a business planning workshop attended by both Departmental and ALB officials.
- Process of regularly evaluating the performance of committees – in February 2015 the status of committees was changed resulting in only one remaining formal committee reporting to the Board, namely the Audit and Risk Assurance Committee (ARAC). ARAC performance is evaluated in line with the Audit Committee Handbook NI. (Please also refer to section Future Arrangements for the Departmental Board under section 5 Departmental Board and Committees)
- The issue of 'talent development' was recognised by the Board and is being taken forward by the Transition Board.

#### 4. Governance Framework

In my role as Accounting Officer, I function with the support of the Board of the Department, its committees (as at 31 March 2015) and my Senior Management Team. Up until February 2015 the structure which applied was:



Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) \*

Information and Communications Technology (ICT) \*\*

In February 2015 the Departmental Board agreed that the Human Resources Committee, Stadium Programme Board, Finance Committee, PETPSE Board and ICT Governance Board could all continue operating without being formal Departmental Board Committees. The only Committee to continue as a Committee of the Board is the Audit and Risk Assurance Committee. Refer also to page 82 **Future Arrangements for the Departmental Board Committees.**

## 5. Departmental Board and Committees

The strategic aims and policies for the Department are set by the Minister. The Board represents the collective corporate and executive leadership within the Department, and also has the experience and contribution of two Independent Board Members. Its composition is comparable to other NICS Departmental Boards. The Board supports me as Accounting Officer in directing the business of the Department as effectively as possible to achieve the objectives and priorities set by the Minister and the Department's statutory obligations. It closely monitors the Department's progress in the achievement of key objectives and priorities set out in the Departmental Business Plan to achieve Programme for Government commitments. During the 2014-15 financial year, the Board considered progress on, and related risks resulting from, our priorities including the Regional Stadiums Programme, the Together Building a United Community Pilot Cross-Community Youth Sports Programme, the Derry/Londonderry City of Culture legacy and North West cultural development and the Digital Archive being developed at the Public Record Office of Northern Ireland. The Board also considered actions and outcomes needed to advance the Departmental priority of Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE) through the promotion of culture, arts and leisure.

The Board continued its programme of out-meetings at its arm's length bodies, with meetings held at Arts Council NI, Libraries NI, National Museums NI, NI Screen and Foras na Gaeilge. Each of these meetings provides Board Members with an opportunity to meet staff and the meetings feature a presentation on the work of the arm's length body and strategic issues faced.

Throughout 2014-15, the Board received updates from the ARAC, the Finance Committee, the Stadium Programme Board, the PETPSE Board and the ICT Board. From October 2014 it received copies of the minutes of the HR Committee. It also scrutinised the governance and performance of ALBs and ensured appropriate risk management procedures are in place within the Department to deliver the Corporate Plan. The Board is the custodian of the Plan's affordability and deliverability. Progress against the Departmental Business Plan was formally reviewed by the Departmental Board at the end of quarters 2, 3 and 4. Through the Corporate Plan, the Balanced Scorecard 2011-15 and annual business plans, the Department's business planning process has a strategic focus with clear linkage between the PfG, Ministerial priorities and DCAL's activities.

In line with best practice, the operational procedures of the Board and the quality of data used by the Board are kept under continuous review to ensure that the Board is content that it is provided with all requisite information to enable it to make informed decisions, taking into account all relevant risks facing the organisation. The Board obtains assurance relating to the quality of information it receives through a number of measures including assurance ratings of Internal Audit reviews, which cover for example, the annual validation of targets, and the business planning and risk management reviews. The Board formally considered the issue of data quality and adequacy in March 2014 and due to the range of primary and secondary assurances received concluded it was acceptable.

A Board Effectiveness Review, conducted by an external facilitator, was carried out in March 2015 to examine the Board's effectiveness, and operation and how effectively it discharges its responsibilities.

The exercise employed a self-completion questionnaire which assessed Board performance under the headings of people, business, and scrutiny. The questionnaire also included open questions in order to gather in-depth feedback on various aspects of performance.

An important aspect of the exercise was to explore approaches in order that the Board can exercise effective oversight over the following 12 months, in particular in relation to DCAL's Business Change Programme.

The outcome of the Board Effectiveness Review was a plan containing various actions designed to enhance effectiveness.

In February 2014, pursuant to the requirement in paragraph 3.5 of *Corporate Governance in Central Government Departments: Code of Good Practice NI 2013*, the skills and understanding of the Board was assessed in the following areas: leadership; management of change in complex organisations; process and operation delivery; commercial procurement expertise; knowledge of Departmental business and policy areas; and corporate services professional skills. The assessment concluded that the Board had sufficient skills and understanding in each of these areas to effectively discharge its responsibilities.

#### **Audit and Risk Assurance Committee (ARAC)**

The Board and myself as Accounting Officer are supported in our roles by the ARAC, which is a committee of the Board with no executive powers and is chaired by one of the Independent Board Members. The ARAC's role is to support the Department in its responsibilities for issues of risk, control and governance and associated assurance by:

- Reviewing the comprehensiveness of assurances in meeting the Board/Accounting Officer's assurance needs;
- Reviewing the reliability and integrity of those assurances; and
- Providing an opinion on how well the Board and the Accounting Officer are supported in decision making and in discharging their accountability obligations (particularly in respect of financial reporting).

During the 2014-15 financial year, the ARAC advised the Board on the following significant areas:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;

- the adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the risk management framework and processes and corporate governance requirements for the organisation; and
- anti-fraud policies and raising concerns (previously whistle-blowing) processes.

The Chair of the Departmental Audit Committee presented his annual report to the Board on 23 June 2015 which highlighted the following:

Based on information received and challenges made the ARAC is content that adequate and reliable assurances have been provided from the work carried out in 2014-15 by the ARAC (detailed below) and that these assurances are sufficient to support the Departmental Board and Accounting Officer in their accountability obligations:-

- The members of the Committee completed a self evaluation of its effectiveness in May 2014 which determined that overall ARAC was compliant with good practice principles for Audit Committees. Results were presented at the May 2014 ARAC meeting;
- The Committee considered the substantive changes in the 2014/15 Corporate Risk Register and endorsed the proposed change in the frequency of review from monthly to quarterly;
- The Committee reviewed progress on Internal and External Audit recommendations, determining whether remedial action was required;
- The Committee considered the work performed by Internal Audit in line with the Audit Plan and Strategy and the opinions that ensued;
- The Committee considered significant control and other issues emanating from the Bi Annual Assurance Statements.

### ***Finance Committee of the Departmental Board***

The Finance Committee's role is to discuss and consider key strategic finance issues impacting the Department and through this process assist and enhance strategic financial management and financial decision making. It has the authority to reallocate budget and to submit bids for additional budget through in-year monitoring rounds and other budget exercises subject to Ministerial approval. It will notify the Board of any decisions it has made to allow for scrutiny and challenge. Where it proposes to make related recommendations to the Minister, it will, where possible, inform the Board in advance of this. The Committee will be responsible and accountable at all times and in all decisions to the Board as a whole. The Committee comprises myself, the Deputy Secretary and Directors, including the Finance Director. It is chaired by me as Permanent Secretary, supported by Finance Branch and meets at least four times each year. During the year the Finance Committee met 6 times and advised the Board on a number of significant areas including recommendations on achieving in year budget cuts of 4.4% agreed by the Executive and on contingency planning to maximise budget spend.

### **Stadium Programme Board**

The Regional Stadium Development Programme is the key capital development priority for the Department. The Executive's endorsement of capital funding of up to £110m will allow the Irish Football Association to develop Windsor Park, the Ulster Council of the Gaelic Athletic Association to build a new stadium at Casement Park and the Ulster Branch of Irish Rugby Football Union to enhance Ravenhill (Kingspan). Throughout the year the delivery of the stadium programme has been overseen by the Stadium Programme Board. The DCAL Stadium Programme Board provides clear lines of accountability and roles and relationships within the programme and provides advice and assurance to the Programme Senior Responsible Owner (SRO) on decisions appropriate to the Programme SRO; and to enable the Programme SRO to make recommendations to the Departmental Accounting Officer on matters reserved to the Departmental Accounting Officer.

The Stadium Programme Board is chaired by the Deputy Secretary (who is the SRO), and also includes the Stadium Programme Director, Director of Sport, the Finance Director and the Principal Information Officer.

During the 2014-15 financial year, the Stadium Programme Board met three times during the year and advised the Board on the following significant areas:

- The progress of the programme and its constituent projects against key time, cost and quality parameters;
- Details of all high level risks impacting on the programme and the mitigating measures in place to manage these risks; and
- A financial summary detailing spend achieved against budget.

### **Promoting Equality and Tackling Poverty and Social Exclusion Board (PETPSE)**

The main objective for the Board is to ensure delivery and measurable outcomes in respect of the Promotion of Equality and the Tackling of Poverty and Social Exclusion (PETPSE) within the Culture, Arts and Leisure sectors. The role of the Board involves both:

- Monitoring the delivery of PETPSE initiatives across the Department; and
- Supervising the evolution of a range of new and existing projects to maximise their impact on poverty and social exclusion.

The Board was established in October 2013 and comprised the Permanent Secretary, the Deputy Secretary and the Executive Directors of the Department. It is chaired by the Permanent Secretary, supported by the PETPSE Delivery Team, and met 6 times during the year. During 2014/15 the Board considered reports in relation to the development and delivery of a range of internal and external communication initiatives to enhance staff and stakeholder engagement and awareness of PETPSE activities and impacts across the DCAL Family. These included interventions in relation to health and wellbeing; education and lifelong learning; economic development; and social inclusion. Key highlights included the roll-out of 'DCAL Roadshows' in Coleraine, Strabane, Limavady and Enniskillen; promotion of Creativity Month and pilot DCAL Innovation Action Zone areas; and expansion of the annual DCAL Learning Forum Awards to showcase innovative approaches to learning and social inclusion. From 1 April PETPSE is being reflected in the work of the Delivery Board. See section **Future Arrangements** page 82.

### **Information Communication and Technology (ICT) Board**

The Departmental ICT Governance Board's objective is to identify and prioritise ICT requirements across the Department. It is responsible for the oversight of the Department's ICT and for Information Management including those services provided by IT Assist and DRD Information Services Branch (ISB). Its key roles and responsibilities are:

- Developing and overseeing the implementation of the Department's Information Strategy including prioritisation of actions and associated action plan;
- Developing the overall standards, policies and strategic direction of ICT development and usage within the Department;
- Taking a departmental perspective on the challenges of implementing information systems and services and, where possible, looking for "joined-up" approaches;
- Prioritising the Department's IT Investment including in-house resources and those resources provided by DRD's Information Services Branch; and
- Information Assurance.

The Board was established in November 2013 and is chaired by the Deputy Secretary with the Directors of Finance, Culture, PRONI and Sport, Museums and Recreation as members. It met four times during 2014-15 and it reported to the Board on its progress against its action



plan. This included the significant achievement of the delivery of its digital repository, which is designed to preserve digital material for future generations.

### **Other Committees & Forums**

The DCAL Safeguarding Forum was established with the aim of improving the safeguarding arrangements for those vulnerable groups participating in culture, arts and leisure. The Forum acts as a co-ordinating group for awareness raising and implementation of safeguarding policy development and legislative developments affecting DCAL and its ALBs. Membership consists of the Department, its ALBs, Safeguarding Board NI, DHSSPS, NSPCC and Volunteer Now. The forum meets 6 monthly or on an ad hoc basis as required. The Forum met on 4 occasions during 2014-15 and is chaired by Director of Finance and Corporate Services, DCAL Children's Champion.

The ALB Internal Audit Forum meets twice a year and is chaired by the Head of Internal Audit in the Department of Education, and attended by ALBs, Internal Audit and by staff from Corporate Strategy and Governance Branch within the Department. The purpose and anticipated benefits of the Forum are the promotion of greater understanding of the assurance needs/issues within the Department and its ALBs; enhanced understanding of respective governance issues; alignment of assurance provision between the Department and its ALBs; maintenance of constructive working relationships; the promotion and sharing of best practice in Internal Auditing; and the consideration of future developments within Internal Audit.

A Managing Resources Forum was chaired by the Permanent Secretary and attended by the Senior Team in order to discuss resourcing and personnel issues within the Department and to ensure it delivered against its key priorities. In October 2014 the Managing Resources Forum became the HR Committee (a subcommittee of the Board). It met 4 times to discuss resourcing and wider personnel issues. Departmental HR attended the meetings and provided secretarial support

### **Future Arrangements for the Departmental Board and Committees**

In February 2015, the Board reviewed its committee structure. It concluded that a revised operating model would provide greater efficiency and would be more in line with other NICS departments.

The Board agreed that the Finance Committee, the Stadium Programme Board, the ICT Governance Board, the PETPSE Board and the Human Resources Committee could all continue operation without being formal committees of the Board. This change took effect from 31 March 2015 but, with the exception of the PETPSE Board, the groups continue their work, reporting to the Board when necessary.

In April 2015, the structure was further reviewed in light of the departmental restructuring exercise ongoing across the NICS. Two additional sub committees were formed – the Delivery Board and the Transition Board. These are both chaired by the Permanent Secretary, and meet on a monthly basis.



Departmental restructuring was a feature of the Stormont House Agreement of 23 December 2014 which included a commitment that the number of departments should be reduced from 12 to 9 in time for the 2016 Assembly election in May 2016. DCAL's functions will be allocated across three of the new Departments as follows :

The Department for Communities to which most DCAL functions will transfer, except for inland fisheries and waterways.

The Department for Infrastructure, to which Waterways functions will transfer.

The Department of Agriculture, Environment and Rural Affairs, to which inland fisheries functions of DCAL will transfer.

DCAL is represented on a Programme Board which has been established at NICS level. DCAL is also represented on the Project Boards for each of the three new Departments. This will help ensure that DCAL plays a key role in the design of the new Departments.

The Transition Board is chaired by me and comprise members of the Senior Management Team and independent Board Member. It will oversee the Transition programme. A Director with specific responsibility for leading the Programme has been appointed.

The Delivery Board oversees and drives forward DCAL's work programme to ensure timely and effective delivery of our strategic priorities during this transition year and is chaired by me and comprises the senior management team and an independent Board member.

**Membership & attendance of the Departmental Board and its Committees.**

Board Member							
	Dept'l Board	ARAC	Stadium Programme Board	Finance Committee	PETPSE	ICT	HR Committee
Denis McMahon Permanent Secretary DCAL (Chairperson) From 30 March 2015							
Peter May Permanent Secretary DCAL To 14 November 2014	5/11	2/4	3/3	4/6	3/6		1/4
Cynthia Smith* Deputy Secretary DCAL (Vice Chairperson)	10/11	4/4	3/3	5/6	5/6	3/4	4/4
Barney McGahan Deputy Secretary From 17 November 2014 to 27 March 2015	4/11	1/4		2/6	1/6	1/4	3/4
Deborah Brown Director of Finance and Corporate Services To 31 August 2014	4/11	1/4	1/3	2/6	1/6	1/4	
David Carson Director of Finance and Corporate Services From 1 August 2014	5/11	2/4	1/3	4/6	4/6	2/4	4/4
Mick Cory Director of Museums & Recreation Division To 29 August 2014	4/11		0/3	2/6	1/6	2/4	
Fergus Devitt Director of Sport, Museums and Recreation From 1 September 2014	6/11			4/6	4/6	3/4	3/4
Maggie Smith Director and Deputy Keeper of the Records (PRONI)	10/11			4/6	1/6	4/4	4/4

Arthur Scott Director of Culture	10/11			6/6	5/6	3/4	4/4
Stephen McGowan Director of Strategic Delivery Division	8/11			5/6	4/6	1/4	4/4
Rory Miskelly ** Director of Stadiums From 1 August 2014	4/11		1/3	2/6			2/4
Aidan Cassidy Director of Business Change From 1 March 2015	1/11						
John West Independent Board Member and Chair of the ARAC	9/11	4/4					
Marie Mallon Independent Board Member and member of the ARAC	10/11	3/4					
Ciaran Doran Independent Member of the ARAC		4/4					
Julie Thompson*** Independent Member of the ARAC To 20 September 2014		2/4					
Heather Cousins**** Independent Member of ARAC From 1 October 2014		2/4					

\*Cynthia Smith was Acting Permanent Secretary from 17 November 2014 to 27 March 2015

\*\* Rory Miskelly, an SIB Advisor attended the Stadium Programme Board from 10 February 2014 and was appointed Stadium Programme Director on 1 August 2014. His appointment is on a three year fixed term contract, potentially renewable by mutual agreement, in accordance with an operational partnership agreement between DCAL and SIB.

\*\*\*Julie Thompson's term of office as an independent member ended on 20 September 2014. The last meeting she attended was 11 September 2014.

\*\*\*\*Heather Cousins was appointed on 1 October 2014 (She attended her first meeting on 20 November 2014).

When an executive Board member was unable to attend a meeting of the Board they normally ensured that a deputy attended in their place.

Representatives of the NI Audit Office (NIAO) attended all meetings of the ARAC and were provided with a full set of papers for each meeting, including copies of all Internal Audit reports.

## 6. Conflicts of Interest

The Code requires the publication of identified actual and potential conflicts of interest and how these have been managed within the annual governance statement. Conflicts of interest are managed via the requirement to declare actual and potential conflicts in departmental registers. Board and ARAC members are also required to declare any conflicts of interest at the start of each meeting. In 2014-15 the conflicts of interest declared during such meetings by the Deputy Secretary regarding her role on the Board of World Police and Fire Games 2013-14 Limited and by the Director of Finance and Corporate Services, who disclosed a family relationship by marriage with a member of Waterways Ireland's senior management team. This has been disclosed in note 20 of the accounts which details related party transactions. I am aware that the NIAO has recently published its Good Practice Guidance for Dealing with Conflicts of Interest on 26 March 2015. In light of the importance of dealing with both perceived and actual conflicts of interest both within DCAL and its ALBs I have circulated the guide both internally and to our ALBs highlighting good practice and the requirement to have effective conflict of interest policies in place. In addition, as a result of identified weaknesses in dealing with conflicts of interest, the Department is carrying out a review of its conflict of interest policies and procedures to strengthen procedures as required..

## 7. Risk Management

### *Risk Management Framework*

Risk management is an important aspect of good governance. It helps the achievement of objectives by constraining threats to acceptable levels and by exploiting opportunities. As Accounting Officer I have ultimate responsibility for ensuring that an effective risk management process is in place. The risk management process adopted by myself and the Department is detailed in the Department's risk management framework.

The Department undertakes risk management by identifying and assessing risks to the achievement of Departmental objectives and then responding to them in line with the Department's risk appetite. The Departmental risk appetite largely used in 2014-15 was set in January 2014 during a risk planning exercise and its applicability and appropriateness was monitored throughout the 2014-15 year, with changes being made in March 2015. The risk appetite is the extent of exposure to risk that the Department has judged as tolerable. The current risk appetite reflects the fact that the Department positions itself to take decisions that maximise the potential to achieve the Department's objectives while appropriate steps have been taken to minimise negative impacts.

Risk registers capture all relevant information on risks – the Department maintains risk registers at branch, divisional and corporate levels and adopts an escalation methodology informed by the significance of the risk. The corporate risk register is regularly scrutinised by the Board and decisions are made regarding the appropriateness of existing risks and whether new risks need to be captured. The Board also considers the controls that are operating to manage each risk and whether more mitigating action needs to be taken in order to ensure each of the risks are managed to an appropriate level.

Up until January 2015 the corporate risk register was reviewed by the Departmental Board on a monthly basis. At the Board meeting in January 2015 it was agreed that going forward the corporate risk register would be formally considered on a quarterly basis, with a standing item remaining on the agenda to allow risk related issues to be raised if necessary, in the interim months.

To ensure that the Department's approach to risk management remains appropriate and in line with best practice the Department adopts a process of continuous maintenance supported by the inclusion of risk management on our three year internal audit strategy. Risk management was last reviewed by Internal Audit in 2013-14 and the overall level of assurance achieved was 'satisfactory'.

#### *Sponsorship Risk*

In line with Managing Public Money Northern Ireland the Department adopts a system of assessing risk presented by each of its Arm's Length Bodies. This allows the Department to appropriately manage these risks by applying a proportionate sponsorship approach informed by the risk rating calculated. A review of the Department's ALB risk assessment methodology was undertaken by Internal Audit, and a report issued in September 2011 which gave substantial assurance. Since then the risk assessment process has been considered as part of a 'review of governance' project completed by the Department in early 2014. As a result it was agreed that previously completed full risk assessments are refreshed rather than re-performed with a view to determining whether the overall risk rating and associated level of sponsorship control remains appropriate. This more streamlined approach enables the risk ratings and resulting implications to be quickly and more easily updated.

#### *Fraud & Information Risk*

A key component of risk management is the management of fraud risk. In managing the risk of fraud the Department assesses its vulnerability to fraud via an annual fraud risk analysis performed by every business area. This identifies the areas most susceptible to fraud and allows the Department to improve controls where necessary.

The Department has a process in place to ensure that all actual and suspected frauds arising within the Department are reported and managed appropriately. Where investigation was required expert services were accessed from the Department of Agriculture and Rural Development's (DARD) Central Investigation Service (CIS) as set out in a Service Level Agreement (SLA). This SLA expired on the 31 March 2015. From 1 April 2015 the investigation service is provided by a central team in DFP for all NICS departments and their ALBs.

Where actual or attempted fraud has been proven the Department instigates remedial action, strengthening weaknesses in systems and promulgates lessons learned. DCAL Fraud management and compliance with the Bribery Act was reviewed by Internal Audit and the overall level of assurance achieved was "satisfactory" in December 2014.

While there were no frauds reported within the core Department, during the financial year there were 33 instances of suspected fraud reported by the ALBs and North/South

Implementation Bodies of which 14 were actual frauds. This number has decreased from 33 actual frauds as reported in 2013-14.

In November 2014 the Department completed a review of its Fraud Prevention Policy and Fraud Response Plan and brought them in line with best practice. In December 2014 Internal Audit completed a review of the Department's fraud arrangements, including the policies, and the overall level of assurance achieved was 'satisfactory'.

In line with the Data Protection Act 1998, the Department's Data Protection policy sets out DCAL's commitment to processing personal data lawfully and fairly. The Department has obtained satisfactory assurance that its data management procedures and systems are appropriate. Information used for operational purposes and reporting purposes is handled appropriately. Where information is used by third parties or other parts of government the Department strives to ensure appropriate steps are taken to ensure that all data is held securely. However there was one breach of information security during the 2014-15 financial year in relation to the Líofo website. It was discovered that personal details of participants could be accessed by visitors to the site. Access was immediately restricted and IT security experts were engaged to establish the website's vulnerabilities and rectification of this issue is ongoing. A Lessons learned report has been completed and will be disseminated across the Department accordingly. See also **12 Governance Divergences arising in the Current Year** Page 101.

#### *Management of Risks in 2014-15*

2014-15 was a period of change in respect of risks. Some risks dropped off the risk register, in particular:

City of Culture – this had been a risk to the achievement of one of the Department's key objectives/commitments in 2013-14 and, with the objective/commitment being met in 2013, the risk no longer existed.

Stadium Delivery – this risk had been a risk to the achievement of the stadium objective in terms of the stadia being delivered on time and to budget. In April 2014 a judicial leave application against DOE's decision to grant planning approval for Casement Park was lodged. This introduced uncertainty into the start date for the main construction work at Casement Park as the Department would require the Judicial Review process to be completed and outcomes ascertained prior to considering this. The Judicial Review hearing against the planning approval started in early September and in December the existing planning approval for Casement Park was quashed. At that stage there was no way the Stadium development objective could be met and the risk was considered to have crystallised and was removed from the register until new plans were put in place and a new objective devised.

Of significance was the inclusion of two additional key risks:

Budget Constraints - In the tightening budgetary environment it was recognised that reducing budgets present a significant threat to the successful achievement of Departmental objectives. In order to mitigate this risk the Department conducts prioritisation and contingency planning exercises and maintains regular engagement with DFP. In exceptional

circumstances the Department could reduce or stop expenditure that has not been committed, while trying to minimise adverse impacts to services.

Information Management - During the 2014-15 year it was recognised that there is a risk of information security incidents or breaches and this was captured in a new risk on the corporate risk register. Controls are in place to mitigate the risk. In particular, all IT systems provided to the Department by DFP or developed by the Department comply with government IT security standards. There is a dedicated Senior Information Risk Owner (SIRO) in the Department and an ICT Governance Board. Government document security standards and a clear desk policy are in operation and there is mandatory information security training for staff

## **8 Governance Framework & Accountability**

*In respect of the Department:*

As Accounting Officer I have responsibility for ensuring that a sound system of internal control is maintained in the Department. As well as the important part played by the Department's organisational structure and an effective risk management framework (both described earlier) there are other key aspects that help form a complete suite of internal controls.

Firstly a process of assurance is embedded throughout the Department with bi-annual assurance statements being prepared and signed by all Heads of Branch and all Heads of Division. These provide regular assurance that roles and responsibilities have been discharged and that internal controls are operating effectively and risks are being managed appropriately.

Secondly I am independently advised by the Department's Head of Internal Audit, providing me with an independent and objective opinion on the effectiveness of a rolling plan of operational and support activities within the Department, The Head of Internal Audit's annual report is detailed further in section 12.

*In respect of the Department's Arm's Length Bodies:*

The Department achieves its corporate objectives through direct departmental intervention and through 10 ALBs. The Chief Executives of these ALBs are directly accountable to me as Principal Accounting Officer and the Boards of the ALBs are directly accountable to the Minister. Roles and responsibilities in this relationship and governance and financial frameworks are documented and agreed within Management Statements and Financial Memoranda (MSFMs), or Financial memoranda in the case of the N/S Bodies. In order for myself and the Minister to assure ourselves that roles and responsibilities are being discharged and that Programme for Government and other Departmental objectives are being met assurances are obtained proportionate to the level of risk the body poses to the Department (see risk management section 7). Assurances are obtained primarily via assurance statements and through regular accountability meetings with the ALB.

Further assurance is obtained by considering each of the Chief Executive's own account of governance and internal control within their respective organisations – namely the SIC for the N/S Bodies and the GS for each of the other ALBs.

### *Review of Governance*

In recent years the Department has embarked on a journey to streamline the governance regime and to identify smarter ways of obtaining the same level of assurances. A review was completed in March 2014 which produced significant changes in regards to the frequency of assurance statements, the drawdown process and the risk assessment review process. A further review is currently taking place. This aims to streamline governance even further by applying the risk assessment methodology more effectively and ensuring that the level of oversight and the tightness of the governance regime is commensurate with the level of risk posed by the ALB.

## **9. Sources of Independent Assurance**

Both the Accounting Officer and the Board are independently advised by an internal audit service operating in accordance with Public Sector Internal Audit Standards, (PSIAS). The primary objective of Internal Audit is to provide the Accounting Officer and the Board with an independent and objective opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the Department's agreed objectives. This is supported by an Internal Audit Strategy, an Internal Audit Plan and a Service Level Agreement with the Department of Education.

In line with PSIAS, an External Quality Assessment (EQA) of DCAL ALB's internal audit services is undertaken at least once every five years. The Department considers these reviews to be an essential element of its overall governance framework. The Department's Internal Audit providers carry out these reviews on a rolling programme with significant issues arising out of these reviews being addressed on a timely basis. In addition periodic External and Internal Quality Reviews of DCAL Internal Audit provides assurance that the internal audit service is operating in accordance with PSIAS.

The Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly carries out an external audit of the Annual Report and Accounts of the Department and its ALBs.

Through internal and external audits and other audits of compliance, a number of recommendations have been raised in the 2014-15 year aimed at strengthening controls and bringing departmental procedures more in line with best practice. In the year the Department has made reasonable progress in implementing current and prior years' recommendations and steps have been taken by the Department and ARAC to expedite implementation. Refer to section 11 and 12 for more detail Pages 94 – 102.

During the year the Department received external accreditation on its Emergency Plan for Archives by Harwell Document Restoration Service in January 2015 which achieved a positive outcome and a live test of the plan was undertaken with the NI Fire and Rescue Service(NIFRS) in February 2015 who confirmed that the objectives of the exercise were met and that substantial assurance had been provided. A Gateway 3 Health Check on Public Records Office Northern Ireland's (PRONI) digital repository development project in March



2014 awarded a Green Delivery Confidence Assessment and a Gateway 4 (Readiness for Service) completed in March 2015 also returned a Green Delivery Confidence Assessment. To provide assurance on the security of the Department's line of business IT systems, CESG-accredited consultants (approved CLAS service providers) conduct IT Healthchecks on all new applications prior to implementation and annually for existing line of business systems, including the new Digital Repository and public facing websites.

The Investors in People Accreditation is recognised and registered as a trademark across the world. The foundation of people management excellence, The Standard, is a benchmark for any well-run organisation. Every organisation is expected to meet 39 evidence requirements from the core Framework to achieve the basic level of accreditation. In 2014, through a series of interviews and data capture, the assessors mapped the Department's performance against the requirements within the Framework and found that DCAL went beyond the Standard, and met a minimum of 26 additional evidence requirements to be accredited as Investors in People Bronze. At a special event held in March 2015 the Department formally received the IIP Bronze recognition award.

STEAM (Science, Technology, Engineering, Arts and Mathematics) Agenda: The Evaluation and Training Inspectorate completed an independent evaluation of the current offer by the Department and its ALBs to assess what changes are necessary to ensure it can be ready to contribute to the STEAM Agenda, which aims to place the arts at the centre of STEM (Science, Technology, Engineering and Mathematics). The evaluation concluded there is a strong commitment from DCAL to promote the STEAM Agenda and that the ALBs are well placed to implement this through their existing infrastructure, expertise, specialist accommodation and resources. The evaluation also highlighted the effective partnerships between the ALBs and with external agencies to develop and deliver in-house and outreach programmes to foster an understanding of, and enthusiasm for aspects of STEAM.

DCAL's Research Programme is developed and published annually by the Department's Research and Statistics Branch and Economics Branch. The programme of work provides DCAL and its ALBs with a research and statistical evidence base to inform the work of DCAL in meeting its top priority to promote social and economic equality and tackle poverty and social exclusion. This programme includes externally commissioned research and statistics as well as literature reviews and analysis of external sources of knowledge and data. In 2014/15 the programme supported the commissioning and dissemination of research which included:

- *Research to examine the barriers to engaging in arts, sport, libraries and museums for people living in poverty 2015.* This research was facilitated by Perceptive Insight on behalf of DCAL to explore the views of people living in poverty in relation to arts, sports, libraries and museums. The approach to the research was two-fold and incorporated focus groups with individuals living in poverty and interviews with community groups based in deprived areas.
- *The impact of sport participation on mental health.* This research investigated the link between participation in sport and the self reported levels of emotional wellness among individuals, within Northern Ireland. It is based on data gathered through the 'Understanding Society' survey.

- *Poverty and engagement in culture, arts and leisure: A literature review 2015*. The research was carried out to explore the relationship between people living in poverty and culture, arts and leisure. Using existing literature, the research aimed to explore engagement in sports, arts, libraries and museums in relation to poverty.
- *Older people and engagement in culture, arts and leisure 2015*. This research project was carried out to obtain a deeper understanding of the relationship between older people and culture, arts and leisure. The project used both literature review and logistic regression. The outcomes of the research will better inform the development of any policy related to the engagement of older people in culture, arts and leisure.
- *Mapping the library service in Northern Ireland 2014*. This project was a collaborative research project between DCAL and Libraries NI. It examined static libraries and mobile library stops in Northern Ireland following on from the review of *Delivering Tomorrow's Libraries* and the development and implementation of a new mobile library strategy. The research aimed to calculate the number of households living within 2 miles of a library or mobile library stop and map the new library service against deprivation, neighbourhood renewal areas (NRAs) and urban/rural areas.

## 10. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control within DCAL. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal governance framework and by comments made by the external auditor in the Report to those Charged with Governance and other reports. I have been continually updated by my senior management team on the progress made in implementing the recommendations in the External Audit Report to those Charged with Governance.

My review of the effectiveness of the system of internal control is informed by:

- Regular performance information provided by managers to the Board;
- Advice and assurance from the Departmental ARAC;
- The subsidiary Governance Statements presented by Heads of Branch and Heads of Division within the Department, who have responsibility for the development and maintenance of the internal control framework in their respective areas;
- The Governance Statements, and associated documentation, submitted by the Accounting Officers of the Department's ALBs (excluding N/S bodies);
- Internal Audit's independent and objective appraisal of the risk management, control and governance arrangements operating within the Department;
- Regular accountability meetings between sponsor branches and DCAL's ALBs;
- Comments made by the external auditors in their Report to those Charged with Governance and other reports;
- Bi Annual Assurance Statements (BiASS) received from the ALBs CEOs and N/S bodies Quarterly Assurance Statements (QAS) which were presented to ALB ARACs and Boards and subsequently reviewed by DCAL's sponsor branches, Branch and Divisional Bi ASS completed by DCAL Branches and Divisions;

- Annual assurance statements received from ALB Chairs and Boards (excluding N/S Bodies); and
- In relation to N/S Bodies I draw assurance from quarterly monitoring meetings between the sponsor departments and the Language Body and bi-monthly monitoring meetings with Waterways Ireland. The agenda for these monitoring meetings mirrors the model DCAL accountability meeting agenda and provides an opportunity for Senior Sponsors to challenge the Accounting Officers of the bodies.

## 11. Internal Governance Divergences

### **Governance Divergences Reported in Prior Years which Continue to be Relevant in the Current Year.**

#### Corporate Services Division

During the year 2013-14 sickness absence procedures were not fully adhered to across the Department which impacted on the Department's ability to meet sick absence targets. In order to address this issue an action plan was drawn up with one of the actions being the provision of monthly reports detailing non-compliance to Heads of Division to allow appropriate remedial actions to be taken. There has been a significant improvement in compliance in 2014-15 and this is being monitored on a monthly basis.

#### Public Records Office Northern Ireland (PRONI)

PRONI is ensuring that it makes official records available to the public in line with relevant legislation and the Minister's priorities. To do so, it is carrying out the following actions:

- Responding to historical FOIA/DPA requests in line with legislation and ministerial priorities. Inquest and court records relating to 36 requests have been released to date, together with internment records relating to 44 applicants.
- A new non-FOI process involving undertakings and release under the Public Records Act 1923 has been put into operation.

These actions have positively impacted on the backlog. The testing and validation of an Emergency Plan for Archives (EPA) was completed in February 2015 by NIFRS who confirmed that the objectives of the exercise were met and substantial assurance provided. Refer also to pages 91 and 100.

#### Sport Northern Ireland (SNI)

A governance review was undertaken within SNI in mid 2012. This review was independently conducted by CIPFA and resulted in 34 recommendations, which were all implemented by 2014-15. There is a series of inter-related issues within SNI which has resulted in the Chief Executive being on leave for an extended period. In order to safeguard governance and accountability, the Department has appointed an interim Accounting Officer and will be taking forward work to provide assurance around the effectiveness of the relationship between the Board and the Executive team. The Department is content, having carried out a recent assurance review of SNI in April 2015, that it continues to deliver its business, and is maintaining adherence to governance requirements.

### *Grants to North/South Bodies*

The Department's 2013-14 Annual Report and Accounts were qualified on the grounds of irregular expenditure. Grant payments to Waterways Ireland and to the Language Body were made in the absence of properly approved business plans. The business plans for the calendar year 2014 were finally approved on 18 December 2014. This means that grant provided to these bodies between 1 April 2014 and 18 December 2014 was irregular and the 2014-15 Annual Report and Accounts have been qualified accordingly. The business plans for the calendar year 2015 have been approved.

### *DCAL Legal Title*

In recent years and up to 2013-14, NIAO qualified the Department's accounts on the grounds that it was unable to demonstrate adequate legal title to all of its assets. Following additional verification work by the Department, NIAO has now dropped this qualification.

### *LNI Valuation of Heritage Assets*

One of the Department's ALBs Libraries NI Annual Report and Accounts were qualified in 2012-13 on the following grounds:

- The NIAO qualified its opinion on the 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 Annual Accounts as a result of the limitation on scope of its audit of the valuation of Heritage Assets, comprising Special Book Collections. On the establishment of Libraries NI in April 2009, each Education and Library Board (ELB) transferred its Special Book Collection to Libraries NI at their value in their Accounts at 31 March 2009 (total value £12.9 million). These assets had been valued by professional valuers in 2006 and accounted for with a corresponding specific revaluation reserve. Libraries NI subsequently became aware that different policies and capitalisation limits had applied across the ELBs. A project was established to develop coherent policies and procedures to underpin these Assets. A valuation threshold was agreed by the Board for Heritage Assets, to include those items valued individually, or in a group, at over £1,000. Items meeting the definition, drawn from ELB listings, were revalued in March 2012. Following a review of other potential Heritage Assets, some additional potentially valuable items were identified which were valued in March 2013 and July 2013. As a result of these valuation exercises, assets with a 2006 valuation of £4.3 million were revalued to £6.2 million at 31 March 2013. During 2013-14 Libraries NI investigated those assets described in the 2006 valuations as "rest of shelf" (valued in 2006 at £3.7m) and concluded that these could not be identified, and, if identified would not meet the definition of heritage stock assets and, as such, were de-recognised. The Comptroller and Auditor General have continued to qualify his opinion in relation to the remaining £4.9 million of heritage stock assets. Further valuation work has been carried out in 2014-15 and discussions have taken place with the NIAO regarding the way forward in relation to this portion of the Heritage Assets and the action plan has been updated. In addition, discussions on the appropriate treatment of items which were not valued previously by the ELBs have taken place. However given the scope and extent of the issue, it may take further time to resolve this matter and the audit opinion is expected to be limited until this exercise is completed.

*Northern Ireland Events Company (NIEC)*

The Department has taken extensive actions in recent years to strengthen its systems of internal control by identifying and incorporating lessons learned from its experiences with the Northern Ireland Events Company (NIEC). The Company Inspectors have finished their investigation into the NIEC and the Comptroller and Auditor General plans to issue his report, based on this investigation, in the Autumn of 2015. The Department has been working with the NIAO on this report and is also addressing the single remaining creditor claim against the company. The Department is now taking steps to wind up the company.

*Sport Northern Ireland (SNI)*

Following concerns raised by a whistleblower regarding a sports capital project at St Colman's College Newry which was being taken forward by Sport NI, NIAO undertook a review of the project. The findings and recommendations of the NIAO review highlighted a number of concerns regarding Sport NI's management and oversight of the project, the accuracy of the project's business case, and Sport NI's investigations of the whistleblower's concerns. I have received assurances from Sport NI that the recommendations of the NIAO report are being implemented on an ongoing basis. This has also been reported to the SNI Board and its Audit Committee. The Department has asked SNI to ensure, in the 2015-16 financial year, that its Internal Audit conducts a follow up review of the implemented recommendations, to confirm that they continue to be prioritised and adhered to. SNI has assured the Department that this follow up review will be included in its Internal Audit Plan for 2015-16. There were procurement delays within SNI in the appointment of an Internal Auditor during 2014-15 which led to delays in the delivery of SNI Internal audit plan and in the SNI Audit Committee receiving independent assurance on SNI governance. An Internal Auditor was appointed in November 2014 and SNI has assured the Department that the Internal Audit plan for 2014-15 has been delivered completed and outstanding reports are due in June 2015.

*Waterways Ireland (WI)*

In WI incorrect subsistence rates to staff based in the North while on duty in the South had been applied between 2002 and 2011. This was rectified and the correct rates were applied from 1 April 2011. An Internal Audit investigation, including independent verification of the amount overpaid has been completed and all recommendations have been implemented. Discussions are ongoing between the Department and Waterways Ireland on the next steps to be taken.

*N/S Language Body*

The Annual Report and Accounts of the Ulster-Scots Agency and Foras na Gaeilge prepared on a calendar year must be consolidated to form the Annual Report and Accounts of the North/South Language Body, as defined in the North/South Co-operation (Implementation Bodies) (NI) Order 1999, prior to being laid before the Northern Ireland Assembly and both

Houses of the Oireachtas. The 2012 Consolidated Reports and Accounts for the North South Language Body were laid in the respective Houses in October 2014. The 2013 accounts were laid on the 5 June 2015. This now clears the backlog of accounts for the Language Body.

### **Limited Internal Audit Reports issued during 2012-13**

#### *50m pool*

All recommendations have been implemented with guidance issued in October 2014.

#### *Linguistics operations*

These recommendations have been superseded by subsequent Internal Audit Reviews namely the Review of Sponsor Control of North/South Bodies 2013-14 which is reported further in this section and the Review of Drawdown which received a satisfactory assurance in 2014-15.

#### *Fisheries outstations*

The recommendations made on the Limited office reports issued in 2012-13 for Castlewellan and Riversdale were revisited through the review of other fisheries sites as detailed in 2014-15. Refer to section 11. A comprehensive follow up of all fisheries offices is scheduled for 2015-16.

### **Limited Internal Audit Reports issued during the year 2013-14**

#### *Procurement Payments and Contract Management*

A follow-up review was completed in 2014-15 and significant progress in clearing outstanding procurement recommendations has resulted in a “Satisfactory” assurance opinion.

#### *Receipts*

A follow up review on this report was completed in April 2015. The review examined recommendations from three previous reports on receipts and payments. Internal Audit confirmed that there were a total of 33 recommendations made in these reports, 28 which have now been implemented with the exception of 5 remaining outstanding of which 1 is a Priority 1 recommendation. Work continues on addressing these recommendations.

#### *Waterways Ireland Subsistence Rates*

Internal Audit recently carried out a follow-up review to determine the current status of recommendations arising from the previous audit relating to the ‘Final Interim Report on Waterways Ireland Overpayment of Subsistence’ (Jan 2014). This final report contained three Priority 1 recommendations, which have been tested by Internal Audit in their recent review and agreed as all implemented.



### *Arts Council Investigation*

Following the receipt of an anonymous whistle blowing letter regarding the regularity and propriety of grant payments made by the Arts Council, DCAL Internal Audit, supported by DARD Central Investigation Services (CIS), carried out an investigation to determine whether there was evidence that a fraud had been attempted or perpetrated. No such evidence was found, however, Internal Audit did identify a number of system weaknesses which were addressed by the Arts Council. A follow up audit was completed in June 2015 with a satisfactory assurance which confirmed that issues have been addressed.

### *Validation of the Government Funding Database (GFD)*

This is an annual validation exercise of the GFD performed in line with FD (DFP) 17/05 "Use of Funding Database Recording Support to Voluntary Community Sector and Other Commitments Given by Government in Response to the Report of the Task Force on Resourcing the Voluntary and Community Sector". The Internal Audit review has evidenced that most branches in DCAL recognise the need to update the GFD with details of funding made to voluntary and community groups. Internal audit testing has identified, however, that there continues to be delay in inputting the required information. GFD training was provided to all DCAL and ALB staff responsible for grant processing in September and October 2014. The annual review of the GFD for 2014-15 has been received which acknowledges the improvements achieved and has moved assurance to satisfactory.

### *Grant Allocation*

The review of the grant process in DCAL highlighted a number of weaknesses which resulted in an overall Limited assurance opinion. The report made 8 recommendations, 1 of which is a Priority 1 and 7 deemed Priority 2. Many of these recommendations are similar to those made in the 2011 report on grants which had been reported as implemented by management. It was recognised in the report that although action had been taken by some branches which led to the recommendation being cleared from the database of outstanding recommendations, the recommendations could not be deemed implemented by the Department as a whole. Guidance issued to branches during 2014 and an Internal Audit follow up is scheduled during 2015-16. DCAL specific grant guidance is due to issue shortly following the issue on 15 June 2015 of DAO (DFP) 08/15 letter on "The Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector". This sets out new Grant Giving Principles for the Voluntary and Community Sector. DSD have provided awareness sessions in June 2015 which relevant staff from DCAL and its ALBs have attended.

### *Child Protection and Vulnerable Adult Arrangements*

Although the review provided a Satisfactory assurance rating in respect of the DCAL monitoring arrangements for ALBs with the exception of the North/South Bodies, internal audit considers that the assurances received in respect of the latter are inadequate and have



issued an overall Limited opinion. Internal audit have recently performed a follow up review in May 2015 and have confirmed an overall satisfactory rating.

#### *Departmental Disaster Planning Arrangements*

The objective of this review was to confirm that in the event of a major incident, the Departmental emergency planning and business continuity arrangements are sufficient to minimise physical loss and to enable the critical business functions of the Department to continue largely uninterrupted. The review resulted in an overall Limited assurance. A total of 4 recommendations were made, 3 of which are Priority 1. These have all been implemented. A comprehensive Emergency Plan is in place which is integrated with the DCAL Disaster Plan. The emergency plan for Archives was validated by Harwell Disaster Recover Service in January 2015 with a positive outcome and the emergency plan was tested on 4 February 2015 by NIFRS who confirmed that the objectives of exercise were met and that substantial assurance has been provided by the exercise. An annual testing and validation will be completed in December each year. A Departmental IT strategy has been developed and a Service Level Agreement is in place with Department of Regional Development. Internal Audit recently carried out a follow-up review to determine the current status of the previous recommendations. They have confirmed that all recommendations have now been implemented and consequently the level of assurance in this area is now satisfactory.

#### *Movanagher Fish Farm*

In January 2013 Internal Audit issued reports on the fisheries offices at Castlewellan and Riversdale (see section 11). These reports contained a number of recommendations that were expected to be implemented across all locations where appropriate. The Internal audit review of the Movanagher Fish Farm has identified that this was not the case and it is these outstanding issues that were a key factor in contribution to the limited assurance given in the report. All recommendations have now been implemented and a comprehensive IA follow up of all offices is scheduled for 2015-16.

#### *Lough Neagh Boat House*

This is similar to the Movanagher Fish Farm report above. There were 5 new issues identified in this review but subsequently all outstanding recommendations have been implemented. A comprehensive IA follow up of all offices is scheduled for 2015-16.

#### *Bushmills Salmon Station*

The IA review at Bushmills concluded that there were a number of previously identified issues still outstanding, which were a key factor in determining the overall evaluation. A number of issues were also outstanding from the previous "Review of Asset Management" in 2012 as well as a number of new issues. In May 2015 all outstanding recommendations had been implemented and a comprehensive IA follow up of all offices is scheduled for 2015-16.

## 12. Governance Divergences arising in the Current Year

### *Inland Fisheries Group (IFG)*

Inland Fisheries Group holds a wide range of information and data both electronic and hard copy which reflects its broad policy and operational remit. This is stored on TRIM (the electronic filing system implemented throughout the NICS), the Commence system in Portadown and also in official files. Information is a key asset to IFG and its proper management throughout its lifecycle is essential. Therefore IFG acknowledged the need to review and quality assure its information management procedures and ensure that all files and data on electronic and hard copy are managed in line with DCAL Protocols. This data includes sensitive data relating to enforcement investigations and court proceedings, which need to be managed appropriately, including disposal within the statutory requirements. An independent review was completed in June 2015 with appropriate actions taken.

### *Armagh Observatory and Planetarium (AOP)*

A Review of the Organisation and Management of the Armagh Observatory and Planetarium was carried out by the Strategic Investment Board in 2014-15. The Board of Governors have agreed to implement Phase 1 of the proposals and recommendations arising from this. Phase 1 will be completed in 2015-16. Management recorded that the loss of key personnel within the Planetarium from beginning of May 2015 would impact on the running of the organisation. The Board has recently appointed an Acting Chief Executive Officer who has been appointed as Accounting Officer of the Planetarium. A recruitment process has concluded for a project manager and a recruitment process is being developed for a single permanent Chief Executive Officer and Accounting Officer for AOP.

### *Budget Management*

Across all ALBs, financial uncertainty associated with in year budget reductions and a short time frame for responding made effective budget setting and monitoring very difficult. Our ALBs have reported that urgent measures were put in place to deliver these. Cuts in the resource budget have impacted detrimentally on some Key Performance Indicators (KPIs) as planned programmes were not held or reduced in scale.

### *National Museums NI (NMNI)*

The Chief Executive of National Museums NI tendered his resignation on 25 November 2014. The Department's Internal Audit team has completed an investigation into the issues understood to have been behind his resignation. The work undertaken identified weaknesses in National Museums' internal processes. The Internal Audit Teams recommendations have been accepted and are actively being addressed by National Museums.

To ensure business continuity National Museums' Trustees appointed an Acting Chief Executive who the Department confirmed as Accounting Officer in November 2014. The acting Chief Executive subsequently indicated his wish to retire and NMNI appointed a new Acting Chief Executive on 18 May who the Department has appointed Accounting Officer. A

recruitment process is being developed to appoint a permanent Chief Executive and it is expected that this will be completed later this year.

#### *LIOFA*

In November 2014 there was a data security issue relating to the Liofa website. The website was immediately suspended and an independent investigation was undertaken. The information Commissioner was informed. An interim website developed by the NICS Enterprise Shared Services (ESS), was put in place incorporating government and industry standards and best practice. Full responsibility for a new upgraded Liofa Website now rests with the Department and NICS ESS. It is anticipated that the new Liofa website will go live on 29 June 2015. The Departmental Accreditor has accredited the Liofa Website on the basis that a proportionate assurance process has been followed and risks are being managed proportionately. The Information Commissioner has advised that no further action is being taken. Refer also to Page 88.

#### *Waterways Ireland (Whistleblowing)*

Allegations were made against members of Waterways Ireland (WI) staff via an anonymous whistleblowing letter. The Department's Internal Audit team performed an independent investigation into the allegations. No evidence was found to support the allegations however recommendations were made to improve processes within WI. All recommendations raised as a result of the independent review have been accepted by Waterways Ireland and are being implemented.

#### *Casement Park*

During a meeting of the Culture Arts and Leisure (CAL) Committee in April 2015, the Chair of the Safety Technical Group (STG) for the Stadia Redevelopment Programme raised a number of issues, including that the concerns raised in relation to the Casement Park Stadium design. The Chair also made allegations of 'pressure being applied' to approve plans that his recommendations failed to support. Both issues are now in the process of being reviewed/investigated. The STG's concerns relate to the unique design challenges of the stadium on the Casement site, in particular the emergency exiting arrangements for a capacity of 38,000. In line with good programme and project management practices, DCAL have urgently commissioned a full review of the project. This review will take the form of a Project Assessment Review on the Stadium Programme. The review has been commissioned through the Central Procurement Directorate and will be taken forward by independent experts. The Project Assessment Review whilst looking broadly at the Stadium Programme will focus on the development of the design of the Casement Park project and compliance with statutory and good practice requirements, including health and safety. In line with normal practice it will formally report to the Senior Responsible Owner for the programme. However, given the issues which have been raised, the report will also be published. Also, in light of the concerns raised regarding allegations of 'pressure being applied' by DCAL Officials, an independent investigation will be taken forward, consistent with Whistleblowing procedures. The investigation has been scoped by the Chief Internal Auditor and steps are being taken forward in line with Chief Internal Auditors recommendations.

*Conflicts of Interest*

As a result of identified weaknesses in dealing with aspects of conflict of interests the Department is carrying out a review of conflict of interest policies and procedures to see what changes may be required.

*Head of Internal Audit Report 2014-15*

The Head of Internal Audit's Annual Report provided an overall evaluation of the Department's risk management and internal control within the Department of Satisfactory. This report is based on audit activity carried out during 2014-15. A number of Internal Audit Reviews undertaken during 2014-15 have resulted in an assessment of limited assurance, as follows: with updates on status where available.

*Sponsor Control of the North/South Bodies*

The key focus of this review was DCAL's oversight and governance arrangements in relation to its sponsorship of its North/South Bodies. Internal audit's Limited opinion is based on 5 key findings and their assessment has taken account of any additional measures implemented by the Department. The Financial Memorandum remains under review by DFP and its counterpart in the South, Department of Public Expenditure and Reform. WI does not have a Board and there is no legislative provision for the creation of a Board. The NSMC considered a recommendation from the St Andrews Agreement Review for a Board for WI but agreed not to create one at this time. NSMC did however ask officials to strengthen the governance arrangements. A service level agreement between sponsor departments and WI and a Quarterly Assurance process have been introduced. The sponsor departments hold bi-monthly meetings with the Waterways CEO and her senior managers. The agenda for these meetings follows the DCAL model accountability agenda. The residual risk of not having a Board is accepted. The Language Body also provide quarterly assurance statements and a service level agreement will be in place shortly. Follow-up IA review to be performed in 2015-16

*Review of Health and Safety*

The review of Health and Safety within DCAL highlighted that, whilst some elements of the control environment are robust, a significant number of control weaknesses and instances of non-compliance with controls were identified at the time of the audit fieldwork. Internal Audit have recently conducted a follow-up review with the overall assurance raised to satisfactory.

*DFP Internal Audit assurance on the provision of Shared Services*

In the 2014-15 year the Department of Finance and Personal (DFP) Internal Audit have provided their audit opinion (20 May 2015) on its provision of Shared Services to other Departments. These opinions cover Enterprise Shared Services, Account Ni, HR Connect, NI Direct, IT Assist, Central Procurement Division, and Departmental Solicitors Office. No follow up reviews were completed in 2014-15 for Properties Division, Land and Property Services, and NI Statistics and Research Agency but assurance can be taken from work in previous

years. Overall I am content with the assurances provided and the actions being taken to address those areas which have a limited opinion.

### **13. Conclusion**

In consideration of the above disclosures and in taking into account the internal control divergences disclosed I believe that DCAL's risk management, corporate governance and internal control framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our systems for detecting and responding to efficiency, for preventing and detecting fraud and for minimising losses of public funds are not adequate. I also believe that my Department's governance structure has operated satisfactorily in the 2014-15 year.



**Denis McMahon**

Accounting Officer for the Department of Culture, Arts and Leisure  
24 June 2015

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

I certify that I have audited the financial statements of the Department of Culture, Arts and Leisure for the year ended 31 March 2015 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. I have also audited the Statement of Assembly Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also 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.

### **Basis for qualified opinion on regularity**

The Department is responsible for providing Annual Business Plans to the Department of Finance and Personnel in sufficient time to allow approval by the Minister of Finance and Personnel and the North South Ministerial Council prior to the commencement of the financial year to which the plan relates. As business plan approvals were not in place the Department has incurred irregular spend in 2014-15 in relation to grants amounting to £2,226,000 paid to Waterways Ireland and £4,135,000 paid to the North/South Language Body.

### **Qualified opinion on regularity**

In my opinion, except for the grant provided totalling £6,361,000, for which the Department had no authority to incur, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on financial statements**

In my opinion;

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2015 and of its net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Sustainability Report and the Financial Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

My report is included on pages 141 and 142.



**KJ Donnelly**

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

26 June 2015

ACCOUNTING  
SCHEDULES



## Statement of Assembly Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FrM) requires the Department of Culture, Arts and Leisure to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly, in respect of each request for resources.

### Summary of Resource Outturn 2014-15

Request for Resources	Note	Estimate			2014-15				2013-14
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Outturn	Outturn
		£000	£000	£000	£000	£000	£000	£000	£000
A	SOAS2	141,235	(688)	140,547	138,913	(651)	138,262	2,285	147,442
<b>Total resources</b>	<b>SOAS3</b>	<b>141,235</b>	<b>(688)</b>	<b>140,547</b>	<b>138,913</b>	<b>(651)</b>	<b>138,262</b>	<b>2,285</b>	<b>147,442</b>
Non-operating cost Accruing Resources		-		185	-		185	-	1,373

### Net Cash Requirement 2014-15

	Note	Estimate		2014-15		2013-14
		£000	£000	Outturn	Net total outturn compared with Estimate: Outturn saving/(excess)	Outturn
Net cash requirement	SOAS4	139,277		134,284	4,993	140,484

### Summary of income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Note	Forecast 2014-15		Outturn 2014-15	
		£000	£000	£000	£000
Total	SOAS5	Income	<i>Receipts</i>	Income	<i>Receipts</i>
		4	4	20	20

*Explanations of variances between Estimate and Outturn are given in Note SOAS2 and in the Management Commentary.*

## **Notes to the Departmental Resource Accounts (Statement of Assembly Supply)**

### **SOAS1. Statement of accounting policies**

The Statement of Assembly Supply and supporting notes have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by DFP. The Statement of Assembly Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014-15 Consolidated Budgeting Guidance and Supply Estimates in the Northern Ireland Guidance Manual.

#### **SOAS1.1 Accounting convention**

The Statement of Assembly Supply and related notes are presented consistently with Treasury budget control and Supply Estimates in Northern Ireland. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93) which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Assembly Supply and related notes have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Assembly authority, in support of the Government's fiscal framework. The system provides incentives to the Departments to manage spending well so as to provide high quality public services that offer value for money to the tax payer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- Ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- Support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

#### **SOAS1.ab Prior Period Adjustments (PPAs)**

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the department, need to be voted by the Assembly in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. A prior period adjustment of £49k has been made in respect of the correction of input VAT errors and is included in the Net Resource Outturn.

**The notes on pages 116 to 140 form part of these accounts**

## SOAS2 Analysis of net resource outturn by function

							2014-15	2013-14		Note
							£000	£000		
	Outturn						Estimate	Outturn		
	Admin	Other current	Grants	Gross resource expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate, with adjusted for virements	Net Total outturn compared with Estimate, adjusted for virements	Prior-year Outturn
<b>Request for resources A:</b>										
<b>Departmental Expenditure in DEL</b>										
Inland Fisheries and Waterways	93	5,756	197	6,046	(517)	5,529	5,765	236	53	5,896
Miscellaneous Library and other services	1,019	64	321	1,404	-	1,404	1,515	111	12	1,868
Arts	835	370	3,298	4,503	-	4,503	4,404	(99)	-	12,101
Museums	784	74	106	964	-	964	808	(156)	-	1,103
W5	-	-	409	409	-	409	409	-	-	587
Sports	2,975	1,231	23,470	27,676	(90)	27,586	27,669	83	335	16,581
Cultural Policy	256	553	710	1,519	-	1,519	2,562	1,043	241	1,841
Public Record Office of Northern Ireland	42	4,564	-	4,606	(44)	4,562	4,678	116	116	4,630
North/South Body - Language Departmental Overheads	720	-	-	720	-	720	143	(577)	-	754
North/South Body - Waterways Ireland Departmental Overheads	92	64	-	156	-	156	157	1	1	191
<b>Annually Managed Expenditure (AME)</b>										
Provisions	-	29	-	29	-	29	36	7	7	15
Revaluations	-	(28)	-	(28)	-	(28)	-	28	28	(125)
<b>Non-Budget</b>										
Arts Council of Northern Ireland	-	-	13,611	13,611	-	13,611	13,668	57	57	14,418
National Museums & Galleries of Northern Ireland	-	-	15,048	15,048	-	15,048	15,217	169	169	14,687
Sports Council for Northern Ireland	-	-	13,660	13,660	-	13,660	14,307	647	507	13,344
Northern Ireland Library Authority	-	-	34,405	34,405	-	34,405	34,502	97	97	39,963
Armagh Observatory & Planetarium	-	-	1,710	1,710	-	1,710	1,672	(38)	-	1,764
World Police and Fire Games Ltd	-	-	-	-	-	-	-	-	-	4,334
Northern Ireland Screen	-	-	2,115	2,115	-	2,115	2,032	(83)	-	2,725
Northern Ireland Museums Council	-	-	273	273	-	273	254	(19)	-	288
North/South Language Body	-	-	5,153	5,153	-	5,153	5,293	140	140	5,258
Waterways Ireland	-	-	2,939	2,939	-	2,939	3,406	467	467	3,213
Interdepartmental Notional Costs	1,995	-	-	1,995	-	1,995	2,050	55	55	2,006
<b>Resource Outturn</b>	<b>8,811</b>	<b>12,677</b>	<b>117,425</b>	<b>138,913</b>	<b>(651)</b>	<b>138,262</b>	<b>140,547</b>	<b>2,285</b>	<b>2,285</b>	<b>147,442</b>

## Explanation of variances between Estimate and Outturn

<b>1 Museums</b>	Towards the end of the year the Department authorised increased spending beyond the budget in this area to offset anticipated under spends of budget arising elsewhere.
<b>2 Cultural Policy</b>	Too much budget was allocated to this area in error resulting in an underspend. A portion of this budget should have been allocated to North/South Body Language Departmental Overheads. See note 3 below.
<b>3 North/South Body - Language Departmental Overheads</b>	Too little budget was allocated to this area in error resulting in an overspend. A portion of this budget should have been allocated to Cultural Policy. See note 2 above.
<b>4 Provisions</b>	The underspend occurred as an in year provision was partially utilised after the Estimates were approved, resulting in a reduction in the amount of provision required.
<b>5 Revaluations</b>	The Estimate for AME revaluation cover was based on expected asset values generated by indices in December. Indices at year end determined that asset values had increased, hence the negative charge.
<b>6 Sports Council for Northern Ireland</b>	The reduction in cash requirement is as a result of timing differences around the settlement of year end creditors.
<b>7 Waterways Ireland</b>	The reduction in cash requirement resulted from favourable exchange rate movements and a reduction in the body's pension cost requirement.

Detailed explanations of the variances are given in the Management Commentary.

**SOAS3 Reconciliation of outturn to net operating cost and against Administration Budget****SOAS3.1 Reconciliation of net resource outturn to net operating cost**

		<b>2014-15</b>		<b>2013-14</b>	
		<b>£000</b>		<b>£000</b>	
	<b>Note</b>	<b>Outturn</b>	<b>Supply Estimate</b>	<b>Outturn compared with Estimate</b>	<b>Outturn</b>
Net Resource Outturn	SOAS2	138,262	140,547	(2,285)	147,442
Prior Period Adjustments	25	(49)	-	(49)	8
Non-supply income (CFERs)	SOAS5	(4)	(4)	-	(335)
<b>Net Operating Cost</b>		<b>138,209</b>	<b>140,543</b>	<b>(2,334)</b>	<b>147,115</b>

**SOAS3.2 Outturn against final Administration Budget**

	<b>2014-15</b>		<b>2013-14</b>	
	<b>£000</b>		<b>£000</b>	
	<b>Budget</b>	<b>Outturn</b>	<b>Budget</b>	<b>Outturn</b>
Gross Administration Budget	7,053	6,816	6,802	6,802
Income allowable against the Administration Budget	-	-	(26)	(26)
<b>Net outturn against final Administration Budget</b>	<b>7,053</b>	<b>6,816</b>	<b>6,776</b>	<b>6,776</b>

**SOAS4 Reconciliation of net resource outturn to net cash requirement**

	<b>Note</b>	<b>Estimate £000</b>	<b>Outturn £000</b>	<b>Net total outturn compared with estimate: saving/(excess) £000</b>
<b>Resource Outturn</b>	SOAS2	140,547	138,262	2,285
<b>Capital</b>				
Acquisition of property, plant and equipment	7.1a	950	922	28
Acquisition of intangible assets	8.1	-	45	(45)
<b>Non operating Accruing Resources</b>				
Proceeds of asset disposals		-	-	-
Reimbursement of capital costs		(185)	(185)	-
<b>Accruals to cash adjustments</b>				
Non-cash items	3, 4, 5, 6	(3,381)	(3,263)	(118)
Changes in working capital other than cash		1,331	(1,454)	2,785
Use of provision	17	15	6	9
Prior Period Adjustment		-	(49)	49
<b>Excess cash receipts surrenderable to the Consolidated Fund</b>	SOAS5	-	-	-
<b>Net cash requirement</b>		<b>139,277</b>	<b>134,284</b>	<b>4,993</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

**SOAS5 Income payable to the Consolidated Fund**  
**SOAS5.1 Analysis of income payable to the Consolidated Fund**

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Forecast 2014-15		Outturn 2014-15	
	£000 Income	£000 Receipts	£000 Income	£000 Receipts
Operating income and receipts - excess Accruing Resources	-	-	-	-
Other operating income and receipts not classified as Accruing Resources	4	4	4	4
	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
Non-operating income and receipts – excess Accruing Resources				
SOAS7	-	-	5	5
Amounts collected on behalf of the Consolidated Fund				
SOAS5.2	-	-	11	11
Excess cash surrenderable to the Consolidated Fund				
SOAS4	-	-	-	-
<b>Total income payable to the Consolidated Fund</b>	<b>4</b>	<b>4</b>	<b>20</b>	<b>20</b>

**SOAS5.2 Consolidated Fund Income**

Consolidated Fund income shown in note SOAS5.1 above does not include any amounts collected by DCAL where it was acting as agent of the Consolidated Fund rather than as principal. The amounts collected as agent for the Consolidated Fund (which are otherwise excluded from these financial statements) were:

	2014-15 £000	2013-14 £000
Fines and penalties	11	22

**SOAS6 Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund**

	2014-15 £000	2013-14 £000
Operating income	655	1,009
Gross income	655	1,009
Income authorised to be Accruing Resources	(651)	(674)
<b>Operating income payable to the Consolidated Fund</b>	<b>4</b>	<b>335</b>

**SOAS7 Non-operating Income - Excess Accruing Resources**

	2014-15 £000	2013-14 £000
Proceeds on disposal of Property, Plant and Equipment	(5)	-
<b>Non-operating income - excess Accruing Resources</b>	<b>(5)</b>	<b>-</b>

**SOAS8 North/South Bodies expenditure**

North/South Body	Amount of Net Grant Paid £	Date Business Plan approved by DFP	Date Business Plan approved by NSMC	Illegal and/or Irregular	2014-15
					£
Language Body	4,135,480	05/12/2014	18/12/2014	Irregular	4,135,480
Waterways Ireland	2,225,867	03/12/2014	18/12/2014	Irregular	2,225,867
	<b>6,361,347</b>				<b>6,361,347</b>

The Business Plans for the Language Body and for Waterways Ireland for calendar years 2014 and 2015 were approved by the North South Ministerial Council on 18 December 2014. This was the final stage in the approval process laid down in the relevant legislation. Expenditure before this date is deemed irregular and disclosed above.

**Legality of payments**

Following concerns expressed in the previous year on the legality of payments to North/South Bodies, it is DFP's opinion that payments continued to be illegal up until approval was given on 3 June 2014. On the basis of legal advice received, the Department continues to consider that the Estimates process and the negotiations between Finance Ministers on the efficiency savings show approval for the amount of the grant, while the Financial Memorandum provides the terms and conditions, which have not changed since 2005. This approach has been followed in good faith by DCAL on the basis of advice provided by DFP in 2009.

### Statement of Comprehensive Net Expenditure For the year ended 31 March 2015

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

		2014-15		2013-14	
		£000		£000	
		Core Department		Restated Core Department	
	Note	Staff Costs	Other Costs	Income	
<b>Administration Costs:</b>					
Staff Costs	3	6,177			5,983
Other administration costs	4		2,634		2,695
Income	6			-	(34)
<b>Programme Costs</b>					
Staff Costs	3	5,593			5,552
Programme Costs	5		124,460		133,894
Income	6			(655)	(975)
<b>Totals</b>		<b>11,770</b>	<b>127,094</b>	<b>(655)</b>	<b>147,115</b>
<b>Net Operating Cost for the year ended 31 March 2015</b>	<b>SOAS3</b>			<b>138,209</b>	<b>147,115</b>
<b>Other Comprehensive Net Expenditure</b>					
<b>Items that will not be reclassified to net operating costs:</b>					
Net (gain)/loss on revaluation of Property, Plant and Equipment				(2,203)	(1,978)
Net (gain)/loss on revaluation of Intangible Assets				60	(29)
<b>Total Comprehensive Net Expenditure for the year ended 31 March 2015</b>				<b>136,066</b>	<b>145,108</b>

## Statement of Financial Position as at 31 March 2015

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

		31 March 2015 £000	31 March 2014 £000	31 March 2013 £000
	Note	Core Department	Restated Core Department	Restated Core Department
<b>Non-current assets:</b>				
Property, plant and equipment	7.1	35,821	33,926	32,028
Heritage assets	7.2	680	680	680
Intangible assets	8	1,087	1,122	1,023
<b>Total non-current assets</b>		<b>37,588</b>	<b>35,728</b>	<b>33,731</b>
<b>Current assets:</b>				
Assets classified as held for sale	7.3	-	-	1,290
Inventories	13	244	164	277
Trade and other receivables	15	2,634	1,024	5,049
Cash and cash equivalents	14	1	1	1
<b>Total current assets</b>		<b>2,879</b>	<b>1,189</b>	<b>6,617</b>
<b>Total assets</b>		<b>40,467</b>	<b>36,917</b>	<b>40,348</b>
<b>Current Liabilities</b>				
Trade and other payables	16	(15,065)	(11,743)	(12,201)
Provisions	17	(38)	(15)	-
<b>Total current liabilities</b>		<b>(15,103)</b>	<b>(11,758)</b>	<b>(12,201)</b>
<b>Non-current assets less net current liabilities</b>		<b>25,364</b>	<b>25,159</b>	<b>28,147</b>
<b>Non-current liabilities</b>				
Provisions	17	-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets less liabilities</b>		<b>25,364</b>	<b>25,159</b>	<b>28,147</b>
<b>Taxpayers' equity &amp; other reserves:</b>				
General fund		18,575	20,217	24,973
Revaluation reserve		6,789	4,942	3,174
<b>Total equity</b>		<b>25,364</b>	<b>25,159</b>	<b>28,147</b>



Denis McMahon  
Accounting Officer  
24 June 2015

**Statement of Cash Flows**  
**For the year ended 31 March 2015**

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

	2014-15 £000	2013-14 £000 Restated
	<b>Note</b>	
<b>Cash flows from operating activities</b>		
Net operating cost	(138,209)	(147,115)
Adjustments for non-cash transactions	3, 4, 5    3,263	2,963
(Increase)/Decrease in trade and other receivables	15    (1,610)	4,025
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	15    1,376	(3,829)
(Increase)/Decrease in Inventories	13    (80)	113
Increase/(Decrease) in trade and other payables	16    3,322	(458)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	16    (1,094)	3,147
Use of provisions	17    (6)	-
<b>Net cash outflow from operating activities</b>	<b>(133,038)</b>	<b>(141,154)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	7    (1,197)	(314)
Purchase of intangible assets	8    (45)	(54)
Proceeds of disposal of property, plant and equipment	5	1,373
<b>Net cash inflow from investing activities</b>	<b>(1,237)</b>	<b>1,005</b>
<b>Cash flows from financing activities</b>		
From the Consolidated Fund (Supply) - current year	132,141	139,710
From the Consolidated Fund (Supply) - prior year	774	4,595
<b>Net financing</b>	<b>132,915</b>	<b>144,305</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		
	<b>(1,360)</b>	<b>4,156</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities	11	22
Payments of amounts due to the Consolidated Fund	(354)	(51)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>	<b>(1,703)</b>	<b>4,127</b>
Cash and cash equivalents at the beginning of the period	14    (420)	(4,547)
Cash and cash equivalents at the end of the period	14    (2,123)	(420)



## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2015

This statement shows the movement in the year on different reserves held by the Department of Culture, Arts and Leisure, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund.) Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

		General Fund £000	Revaluation Reserve £000	Total Reserves £000
	Note			
<b>Balance at 1 April 2013</b>		25,013	3,174	28,187
Prior Period Adjustment		(40)	-	(40)
<b>Restated Balance at 1 April 2013</b>		<b>24,973</b>	<b>3,174</b>	<b>28,147</b>
Net Assembly Funding - Drawn Down		139,710	-	139,710
Net Assembly Funding - Deemed		-	-	-
Supply (payable)/receivable adjustment		774	-	774
CFERs payable to the Consolidated Fund	SOAS6, SOAS7	(335)	-	(335)
Net loss on revaluation of property, plant and equipment		-	1,978	1,978
Net gain on revaluation of intangible assets		-	29	29
Non-cash charges - auditor's remuneration	4	65	-	65
Non-cash charges - notional charges	3,4	1,941	-	1,941
Net transfer to Intangible Assets	8a	36	-	36
Transfer out of Property, Plant and Equipment	7.1a	(71)	-	(71)
Transfers between reserves		239	(239)	-
Net Operating Cost		(147,115)	-	(147,115)
<b>Restated Balance at 31 March 2014</b>		<b>20,217</b>	<b>4,942</b>	<b>25,159</b>
Net Assembly Funding - Drawn Down		132,141	-	132,141
Net Assembly Funding - Deemed		-	-	-
Supply payable/(receivable) adjustment		2,144	-	2,144
CFERs payable to the Consolidated Fund	SOAS5	(9)	-	(9)
Net gain on revaluation of property, plant and equipment		-	2,203	2,203
Net gain on revaluation of intangible assets		-	(60)	(60)
Non-cash charges - auditor's remuneration	4	65	-	65
Non-cash charges - notional charges	3, 4	1,930	-	1,930
Transfers between reserves		296	(296)	-
Net Operating Cost		(138,209)	-	(138,209)
<b>Balance at 31 March 2015</b>		<b>18,575</b>	<b>6,789</b>	<b>25,364</b>

### Revaluation Reserve in respect of Intangible Assets

	£000
Balance as at 1 April 2014	462
Net gain on revaluation of intangible assets	(60)
<b>Balance as at 31 March 2015</b>	<b>402</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

## **Department of Culture, Arts and Leisure Annual Report and Accounts 2014-15**

### **Notes to the Departmental Resource Accounts for the period ended 31 March 2015**

#### **1. Statement of accounting policies**

These financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual (FReM) issued by DFP. The accounting policies contained in the FReM apply International Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department of Culture, Arts and Leisure (DCAL) for the purpose of giving a true and fair view has been selected. The particular policies adopted by DCAL for the 2014-15 Accounts are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare an additional primary statement. The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### **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, intangible assets and inventories.

#### **1.2 Property, plant and equipment**

Land and buildings are valued using professional valuations carried out by the Land and Property Services Agency every five years and appropriate indices in intervening years. Valuations are carried out in accordance with the current edition of the Professional Valuation Standards produced by the Royal Institution of Chartered Surveyors. Land and Buildings have been valued by Land and Property Services Agency as at 31 March 2013. Operational specialised land and buildings, incorporating canals, parks, fish farms, bridges and weirs, are valued on the basis of depreciated replacement cost. Operational non-specialised land and buildings, incorporating offices and stores, are valued on an existing use market value basis. Land and buildings deemed surplus to requirements and thus held for sale are valued on the basis of fair value less any material, directly attributable selling costs. Land and buildings at Titanic Quarter housing PRONI has been treated as specialised.

Other property, plant and equipment have been revalued using the latest available indices published in 'MM22 Producer Price Indices' prepared by the Office for National Statistics.

The minimum level for capitalisation of a non current asset is £1,000 with the exception of IT equipment which is capitalised where the valuation is at least £500. On initial recognition, property, plant and equipment and intangible assets are measured at cost including any expenditure, such as installation, which is directly attributable to bringing the asset to the location and condition necessary to enable operation. Assets classed as "under construction" are recognised in the Statement of Financial Position to the extent that costs have been paid or liability incurred. Subsequent expenditure on an asset, that meets the criteria as set out in IAS 16, is capitalised, otherwise it is written off as revenue.

### 1.3 Depreciation

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Asset lives are normally in the following ranges:

Buildings	up to 100 years
Bridges, car parks, fences, pathways, walls and weirs	up to 100 years
Motor vehicles	3 – 7 years
Plant, machinery & equipment	3 – 25 years
Computer equipment and Software	3 – 10 years
Furniture & fittings	10 – 20 years

Depreciation is charged in the month of acquisition; none is charged in the month of disposal.

Freehold land, antique furniture, pictures, assets in the course of construction and assets held for resale are not depreciated.

### 1.4 Intangible assets

#### Sporting and Fishing Rights

Intangible assets comprise sporting and fishing rights and are valued at modified historical cost, as this is considered a proxy for fair value in the absence of value in use, or the fair value attributed at the time of acquisition subsequently indexed. Sporting and fishing rights are not amortised. This is supported by annual impairment reviews using the latest available indices published in 'Retail Price Indices CHAW' which are the indices applied to internally developed software, externally developed software, software licences and licences, trademarks and artistic originals as prepared by the Office for National Statistics to ensure that the carrying value of the intangible asset

does not exceed its recoverable amount. Valuations were carried out by Land and Property Services Agency for all intangible assets as at 31 March 2015.

### **Carbon Reduction Commitment Energy Efficiency Scheme**

The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a UK-wide mandatory trading scheme which was brought into law in April 2010 under the CRC Energy Efficiency Scheme Order 2010. It is aimed at improving energy efficiency and cutting CO<sub>2</sub> emissions in large public and private sector organisations.

Where the Department purchases more CRC allowances than utilised in-year, these are classed as current intangible assets. Non-current intangible asset classification applies where allowances will be held for a period of greater than one year provided they meet the Department minimum threshold for capitalisation of £1,000. Settlement of the existing liability as a result of in-year CO<sub>2</sub> emissions will be recognised as a liability at year-end and reflected in the Statement of Financial Position. This is in line with accounting for the CRC Scheme as laid out in the FReM. Allowances are payable to the Department of Energy and Climate Change on an annual basis.

On initial recognition, CRC Scheme assets are valued at cost. In line with the FReM, where non-current scheme assets are held and there is evidence of an active market, these will be measured at fair value. The Department is in a position to meet its existing liability and does not hold additional allowances for trading purposes.

### **Software**

Purchased computer software are capitalised as intangible assets where expenditure of £1,000 or more is incurred. Software is valued at cost, adjusted as appropriate to reflect estimated replacement costs. Impairment reviews are performed if and when indications of impairment are identified. Software licences are amortised over the shorter of the term of the licence and the useful economic life.

## **1.5 Heritage assets**

The official records stored and maintained by PRONI, and private records donated to PRONI, constitute the archival heritage of Northern Ireland and are treated as non operational Heritage Assets. Legislatively they cannot be disposed of. The collection held at 31 December 2014 is not recorded in the Statement of Financial Position as it is not possible to provide a robust valuation for these records.

Two non-operational heritage assets have been capitalised at cost in the Statement of Financial Position. No depreciation is charged on these heritage assets as they are considered to have an infinite useful life.

Firstly, in 2011-12, the Department purchased a Book of Survey and Distribution for the County of Meath, dated c.1675, containing details of land owners in 1641 and the names of those to whom the land was granted under the Acts of Settlement between 1660 and 1671. This has been capitalised at £15,000.

Secondly, in 2012-13, the Department purchased the family, estate and political papers of the Stewart family, marquesses of Londonderry, dating from the seventeenth to mid – twentieth centuries comprising 30,000 documents. These include the Londonderry estate papers (D654), the Theresa, Lady Londonderry papers (D2846) and the papers of the 7<sup>th</sup> Marquess of Londonderry (3099). These have been capitalised at £665,000.

One of the main functions of PRONI is to preserve Northern Ireland's unique archival heritage. This is done by ensuring that the archives are properly stored, handled, copied and repaired so the public have continuing access to these records or to the information they hold. PRONI's preservation policies can be viewed online at:

[http://www.proni.gov.uk/index/professional\\_information/preservation.htm](http://www.proni.gov.uk/index/professional_information/preservation.htm).

### **1.6 Non-current assets reclassified as current assets held for sale**

The Department classifies a non-current asset as held for sale where its value is expected to be realised principally through a sale transaction rather than through continuing use. In order to meet this definition, IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year or outside of one year by exception, as defined by IFRS 5. Non-current assets that are held for sale are valued on the basis of open market value less any material directly attributable selling costs and are reclassified as current assets held for sale. Current assets held for sale are regularly reviewed for impairment and to ascertain whether they continue to meet the above criteria. Where a current asset held for sale no longer meets the criteria, the asset is reclassified as a non-current asset.

### **1.7 Donated assets**

Donated items of property, plant and equipment are capitalised at fair value on receipt. This value is credited to the Statement of Comprehensive Net Expenditure.

### **1.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Fish stock is valued by allocating costs to salmon and trout stock based on the cost of production process.

## 1.9 Revenue Recognition

### Supply Funds

Supply is granted on an annual basis, voted in Estimates and in the Budget Act. This Act authorises DCAL to draw down sums of money from the Consolidated Fund for the service of a specified year. Supply is credited to the General Fund as financing, with amounts in respect of different financial years shown separately.

### Operating Income

Operating income is income that relates directly to the operating activities of the Department. It principally comprises fees and charges for services to external customers. It includes not only accruing resources but also income to the Consolidated Fund which, in accordance with the FreM, is treated as operating income. Operating income is stated net of VAT.

## 1.10 Administration and Programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the FReM by DFP.

## 1.11 Financial assets

The Department measures and presents financial instruments in accordance with IAS 32, IAS 39 and IFRS 7 as modified by the FReM. The Department holds financial assets in the form of trade receivables as well as cash and cash equivalents. Financial assets which are due to be repaid within one year are shown within trade receivables and other current assets on the Statement of Financial Position and are initially recognised at fair value plus directly related transaction costs.

## 1.12 Financial liabilities

Financial liabilities consist of trade payables and other current liabilities. They are initially measured at fair value, net of transaction costs, and subsequently measured at cost.

## 1.13 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used.

### 1.14 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes. The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS(NI)) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS(NI). In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

A new pension scheme, *alpha*, will be introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements will move to alpha from that date.

### 1.15 Leases

The Department assesses and presents leases in accordance with IAS 17 Leases and in conjunction with stipulations of the FReM. Where substantially all the risks and rewards of ownership of a leased asset are borne by the Department, the asset is classed as a finance lease, recorded as a non-current asset and depreciation charged to the Statement of Comprehensive Net Expenditure. Distinction is made between owned and leased assets under Property, Plant and Equipment disclosure. Other leases which do not meet the definition of a finance lease, are regarded as operating leases and lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term. Commitments under leases are disclosed as future obligations within the notes to the financial statements.

### 1.16 Grants payable and receivable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. In line with FReM, Grant in Aid paid to NDPBs is accounted for on a cash basis. Grants to bodies or individuals which can be attributed to a particular period, event or completion of an action in accordance with a letter of offer, are recorded as expenditure in the period in which the underlying event triggering the liability occurs.

Revenue grants receivable are matched with associated expenditure and recorded in that period.

### **1.17 Provisions**

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the best estimate of the expenditure required to settle the obligation. Where the time value of money is significant the cash flows are discounted using the appropriate Treasury discount rate.

### **1.18 Contingent liabilities**

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

### **1.19 Value added tax**

All income and expenditure is stated exclusive of VAT, which is recoverable by the Department.

### **1.20 Employee Benefits**

The cost of providing employee benefits is recorded in the Statement of Comprehensive Net Expenditure in the period in which the benefit is earned by the employee, rather than when it is paid or payable.

### **1.21 Related Party Transactions**

Related Party is defined as a person or entity that is related to the entity that is preparing its financial statements and has the ability to exercise control or influence over the policies of the other party to the arrangement. Related parties are disclosed by the Department in line with FReM and IAS24.

The Department sponsors the public sector bodies outside the Departmental accounting boundary in 2014-15 as listed in the Directors' Report. These public sector bodies receive grant funding from the Department.

In addition, the Department has had numerous transactions with other central government departments and associated bodies.



In terms of related party interests of the Department's officials, for transparency the Department considers it necessary that its Minister, key management and members of the Departmental Board declare the following:

- Any interests in DCAL, other than through normal employee/employer relations;
- Any interest in bodies with which DCAL has business transactions including membership of Boards of those bodies even when such membership is part of the officer's job;
- Any such interest held by a close family member.

## **1.22 Reserves**

### **General Reserve**

The General Reserve (General Fund) represents the total assets less liabilities of the Department to the extent that the total is not represented by other reserves and financing items.

### **Revaluation Reserve**

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets.

## **1.23 Impending application of newly issued accounting standards not yet effective**

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process, which will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

## **1.24 Prior Period Adjustments**

In line with the requirements of IAS 8, the Department has disclosed a prior period adjustment the details of which can be found in Note 26. This relates to the correction of input VAT errors.

## 2 Statement of Operating Costs by Operating Segment

IFRS 8 'Operating Segments' requires disclosure of financial information about an organisation's reportable segments based on the format and structure of internal reporting arrangements as evaluated regularly by the "Chief Operating Decision Maker". The Chief Operating Decision Maker for the Department of Culture, Arts and Leisure is deemed to be the Departmental Board as it has the authority and responsibility for directing the major activities of the Department at corporate level during the year. The Programme for Government 2011-15 sets out the context for the Department's Corporate and Business Plan and, where appropriate, the work of DCAL will also contribute to the Investment Strategy, the Economic Strategy and the Tourism Strategy. During the lifetime of this Corporate Plan the Department has a number of commitments to deliver.

Operating segments have been determined as a result of the structure and internal reporting of the Department which aligns with the following sectors for which it has lead responsibility. Other Reportable segments include Languages, Waterways and creativity.

Operating Segment	2014-15		2013-14	
	£000	£000	£000	£000
	Net Resource	Capital	Restated	Restated
	Outturn	Outturn	Net Resource	Capital
			Outturn	Outturn
Arts:				
Arts Council of Northern Ireland	13,338	843	13,721	702
Northern Ireland Screen	2,054	-	2,425	300
Other	1,844	1,823	10,416	278
Museums:				
National Museums and Galleries of Northern Ireland	14,283	2,771	15,150	1,526
Armagh Observatory & Planetarium	1,788	180	1,978	115
Northern Ireland Museums Council	264	-	287	-
WS	409	-	586	-
Other	180	-	197	-
Libraries:				
Northern Ireland Library Authority	36,684	4,031	37,243	8,828
Other	385	-	468	-
Sport:				
Sports Council for Northern Ireland	10,288	3,400	10,075	5,508
Other	2,334	22,269	1,806	12,986
Public Record Office of Northern Ireland	4,499	51	4,450	-1,211
Inland Fisheries	5,452	386	5,717	868
Other Reportable Segments	17,809	775	23,346	394
<b>Net Outturn</b>	<b>111,611</b>	<b>36,529</b>	<b>127,865</b>	<b>30,294</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

### 2.1 Reconciliation between Operating Segments and SoCNE/SoFP

#### 2.1.1 Net Resource Outturn

##### (a) Current Year

	2014-15							Other Reportable Segments	Total
	£000								
	Arts	Museums	Libraries	Sport	PRONI	Inland Fisheries			
<b>Net Resource Outturn by operating segment</b>	<b>17,236</b>	<b>16,924</b>	<b>37,069</b>	<b>12,622</b>	<b>4,499</b>	<b>5,452</b>	<b>17,809</b>	<b>111,611</b>	
Administration expenditure	836	786	1,019	2,975	42	92	(5,750)	-	
Capital Grants	1,823	-	-	22,228	-	-	236	24,287	
Grants-in-aid payable to Non Departmental Public Bodies	15,726	17,031	34,405	13,660	-	-	8,092	88,914	
Resource Consumption of Non Departmental Public Bodies	(15,392)	(16,335)	(36,684)	(10,288)	-	-	(9,899)	(88,598)	
Notional Charges	-	-	-	-	-	-	1,995	1,995	
Consolidated Fund Extra Receipts	-	-	-	-	-	-	-	-	
<b>Total per Statement of Comprehensive Net Expenditure</b>	<b>20,229</b>	<b>18,406</b>	<b>35,809</b>	<b>41,197</b>	<b>4,541</b>	<b>5,544</b>	<b>12,483</b>	<b>138,209</b>	

##### (b) Prior Year (Restated)

	2013-14							Other Reportable Segments	Restated Total
	£000								
	Arts	Museums	Libraries	Sport	PRONI	Inland Fisheries			
<b>Net Resource Outturn by operating segment</b>	<b>26,562</b>	<b>18,198</b>	<b>37,711</b>	<b>11,881</b>	<b>4,450</b>	<b>5,717</b>	<b>23,346</b>	<b>127,865</b>	
Administration expenditure	1,407	907	1,400	1,821	59	111	(5,705)	-	
Capital Grants	278	-	-	12,961	-	81	-	13,320	
Grants-in-aid payable to Non Departmental Public Bodies	17,143	16,739	39,963	13,344	-	-	12,805	99,994	
Resource Consumption of Non Departmental Public Bodies	(16,146)	(17,415)	(37,243)	(10,075)	-	-	(14,856)	(95,735)	
Notional Charges	-	-	-	-	-	-	2,006	2,006	
Consolidated Fund Extra Receipts	-	-	-	-	-	-	(335)	(335)	
<b>Total per Statement of Comprehensive Net Expenditure</b>	<b>29,244</b>	<b>18,429</b>	<b>41,831</b>	<b>29,932</b>	<b>4,509</b>	<b>5,909</b>	<b>17,261</b>	<b>147,115</b>	

#### 2.1.2 Capital Outturn

##### (a) Current Year

	2014-15							Other Reportable Segments	Total
	£000								
	Arts	Museums	Libraries	Sport	PRONI	Inland Fisheries			
<b>Capital Outturn by operating segment</b>	<b>2,666</b>	<b>2,951</b>	<b>4,031</b>	<b>25,669</b>	<b>51</b>	<b>386</b>	<b>775</b>	<b>36,529</b>	
Capital Grants	(1,823)	-	-	(22,228)	-	-	(236)	(24,287)	
Resource Consumption of Non Departmental Public Bodies	(843)	(2,951)	(4,031)	(3,400)	-	-	(248)	(11,473)	
(Gain)/Loss from the Sale of Property, Plant and Equipment	-	-	-	-	4	9	-	13	
Reimbursement of Capital Costs	-	-	-	-	-	-	185	185	
<b>Total Capital Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>55</b>	<b>395</b>	<b>476</b>	<b>967</b>	

##### (b) Prior Year (Restated)

	2013-14							Other Reportable Segments	Total
	£000								
	Arts	Museums	Libraries	Sport	PRONI	Inland Fisheries			
<b>Capital Outturn by operating segment</b>	<b>1,280</b>	<b>1,641</b>	<b>8,828</b>	<b>18,494</b>	<b>(1,211)</b>	<b>868</b>	<b>394</b>	<b>30,294</b>	
Capital Grants	(278)	-	-	(12,961)	-	(81)	-	(13,320)	
Resource Consumption of Non Departmental Public Bodies	(1,002)	(1,641)	(8,828)	(5,508)	-	-	(250)	(17,229)	
(Gain)/Loss from the Sale of Property, Plant and Equipment	-	-	-	-	1,296	-	-	1,296	
<b>Total Capital Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>85</b>	<b>787</b>	<b>144</b>	<b>1,041</b>	

### 3 Staff numbers and related costs

Staff costs comprise:

	2014-15			2013-14
	£000			£000
	Permanently employed staff*	Others	Minister	Total
Wages and Salaries	8,927	275	38	9,240
Social security costs	633	-	4	637
Other pension costs	1,885	-	8	1,893
<b>Sub Total</b>	<b>11,445</b>	<b>275</b>	<b>50</b>	<b>11,770</b>
Less recoveries in respect of outward secondments	-	-	-	(34)
<b>Total net costs**</b>	<b>11,445</b>	<b>275</b>	<b>50</b>	<b>11,501</b>

**Of which:	Charged to Administration	Charged to Programme	Total
<b>Core department</b>	6,177	5,593	11,770
<b>Total net costs</b>	<b>6,177</b>	<b>5,593</b>	<b>11,770</b>

\* Permanently employed staff includes the cost of the Department's Special Adviser who is paid in the pay band £59,037 to £91,809 (2013-14: £58,452 to £91,809).

There were no staff costs capitalised in 2014-15.

The Department of Culture, Arts and Leisure was under the direction and control of Carál Ní Chuilín MLA for the 2014-15 financial year. Her Ministerial salary and allowances were paid by the Northern Ireland Assembly and have therefore been treated as a notional cost in these resource accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

The Northern Ireland Civil Service pension arrangements are unfunded multi-employer defined benefit schemes but the Department of Culture, Arts and Leisure is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. The valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Resource Accounts as at 31 March 2015.

For 2014-15, employers' contributions of £1,876,571 were payable to the NICS pension arrangements (2013-14: £1,640,103) at one of four rates in the range 18% to 25% (2013-14: 18% to 25%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2015-16, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2014-15 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £7,030 (2013-14 Restated: £5,009) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% (2013-14: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £224.04, 0.8% (2013-14: £292.40, 0.8%) of pensionable pay, were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

Partnership pension contributions are remitted to Account NI shared service centre, who make payments to the providers on behalf of all NICS Departments. At the Statement of Financial Position date £678 (2013-14: £678) had been remitted to Account NI but had not yet been paid to the providers.

No staff (2013-14: no persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year were £nil (2013-14: £nil).

### Average number of persons employed

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

	2014-15					2013-14
	Permanent Staff	Others	Minister	Special Advisers	Total	Restated Total
Arts	18	-	-	-	18	30
Museums	15	-	-	-	15	20
Libraries	19	-	-	-	19	27
Sport	65	-	-	-	65	41
Public Record Office of Northern Ireland	76	3	-	-	79	82
Inland Fisheries Group	68	2	-	-	70	70
Other Reportable Segments	22	4	1	1	28	32
<b>Total</b>	<b>283</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>294</b>	<b>302</b>

2013-14 numbers were restated as some part time employees had been incorrectly analysed as full time employees.

The Department had no members of staff in 2014-15 (2013-14: no staff members) within the exit package "other departures agreed". The costs are £nil (2013-14: £nil).

### Off Payroll engagements at a cost of over £58,200

	2014-15	2013-14
Opening Number	-	-
Number of new engagements	2	-
Number of engagements that have come to an end	(1)	-
The closing number of engagements	1	-

The 2 new engagements during the year both occurred prior to 1 October 2014.

### 3.1 Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0 (0)	0 (0)	0 (0)
£10,000 - £25,000	0 (0)	0 (0)	0 (0)
£25,000 - £50,000	0 (0)	0 (0)	0 (0)
£50,000 - £100,000	0 (0)	0 (0)	0 (0)
£100,000 - £150,000	0 (0)	0 (0)	0 (0)
£150,000 - £200,000	0 (0)	0 (0)	0 (0)
<b>Total number of exit packages</b>	<b>0 (0)</b>	<b>0 (0)</b>	<b>0 (0)</b>

Comparative data for 2013-14 is shown in brackets.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

#### 4 Other Administration Costs

	2014-15	2013-14
	£000	£000
Note	Core Department	Core Department
Rentals under operating leases	26	3
<b>Other expenditure:</b>		
Professional Costs	141	153
Contracted Out Services	135	135
Office Services	129	167
Staff Related Costs	94	151
Other	160	126
<b>Non-cash items:</b>		
Depreciation	7	4
Auditor's remuneration & expenses	65	65
Notional costs	1,880	1,891
<b>Total</b>	<b>2,634</b>	<b>2,695</b>

#### 5 Programme Costs

	2014-15	2013-14
	£000	£000
Note	Core Department	Restated Core Department
Current grants	80,377	96,860
Capital grants	37,048	29,719
Rentals under operating leases	(33)	88
<b>Other current expenditure:</b>		
Accommodation Costs	1,127	1,286
Office Services	1,075	1,238
Professional Costs	746	1,080
Contracted Out Services	551	537
Staff Related Costs	304	284
Consultancy Costs	12	52
Other	1,989	1,797
<b>Non-cash items:</b>		
Depreciation	7	1,232
Amortisation	8	30
Loss on disposal of property, plant and equipment	7	8
Provision(s) provided for in year	17	41
Provision(s) not required written back	17	(12)
Impairments (reversal)/charge	9	(29)
Provision for doubtful debts	15	(6)
<b>Total</b>	<b>124,460</b>	<b>133,894</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

## 6 Income

			2014-15	2013-14
			£000	£000
			Core Department	Core Department
	RfRA	Consolidated Fund	Total	Total
<b>Administration Income</b>				
Recovery of Seconded Costs	-	-	-	34
	-	-	-	34
<b>Programme Income</b>				
Fees and charges to external customers	540	-	540	556
Rent from Sports Council for House of Sport	90	-	90	90
Capital Donations Income	-	-	-	-
Other income	21	4	25	329
	651	4	655	975
<b>Total</b>	<b>651</b>	<b>4</b>	<b>655</b>	<b>1,009</b>

## 7.1 Property, plant & equipment

### a) Current year: 2014-15

	Land £000	Buildings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Transport equipment £000	Assets under Construction £000	Total £000
<b>Cost or valuation</b>								
At 1 April 2014	2,019	31,208	260	1,881	699	1,638	-	37,705
Additions	-	121	250	61	31	15	444	922
Disposals	-	-	(39)	(50)	(2)	(34)	-	(125)
Impairments	27	9	-	1	-	4	-	41
Reclassifications	-	(96)	1	(37)	-	-	120	(12)
Revaluations	-	2,220	-	21	1	21	-	2,263
<b>At 31 March 2015</b>	<b>2,046</b>	<b>33,462</b>	<b>472</b>	<b>1,877</b>	<b>729</b>	<b>1,644</b>	<b>564</b>	<b>40,794</b>
<b>Depreciation</b>								
At 1 April 2014	-	1,419	161	1,185	372	642	-	3,779
Charged in year	-	844	40	135	54	163	-	1,236
Disposals	-	-	(39)	(40)	(2)	(33)	-	(114)
Impairments	-	1	-	7	-	4	-	12
Revaluations	-	81	(3)	(10)	-	(8)	-	60
<b>At 31 March 2015</b>	<b>-</b>	<b>2,345</b>	<b>159</b>	<b>1,277</b>	<b>424</b>	<b>768</b>	<b>-</b>	<b>4,973</b>
<b>Carrying amount at 31 March 2015</b>	<b>2,046</b>	<b>31,117</b>	<b>313</b>	<b>600</b>	<b>305</b>	<b>876</b>	<b>564</b>	<b>35,821</b>
<b>Restated Carrying amount at 31 March 2014</b>	<b>2,019</b>	<b>29,789</b>	<b>99</b>	<b>696</b>	<b>327</b>	<b>996</b>	<b>-</b>	<b>33,926</b>
<b>Asset financing:</b>								
Owned	2,046	31,117	313	600	305	876	564	35,821
<b>Carrying amount at 31 March 2015</b>	<b>2,046</b>	<b>31,117</b>	<b>313</b>	<b>600</b>	<b>305</b>	<b>876</b>	<b>564</b>	<b>35,821</b>

All property, plant and equipment was revalued at 31 March 2015 through application of indices as published in "MM22 Producer Price Indices" prepared by the Office for National Statistics. Land and Buildings held by the Department were subject to professional valuation as at 31 March 2013 by the Land and Property Services Agency. The valuer has the qualification FRICS Dip Est Man.

Assets amounting to £132k (previously accrued at 31 March 2013-14) were reclassified as Assets under Construction. A current year asset addition of £12k has been reclassified from tangible Assets under Construction to Intangible Assets under Construction.

Please refer to note 1.2 for details on valuation and the use of indices.

## 7.1 Property, plant &amp; equipment

## b) Prior year: 2013-14

	Land £000	Buildings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Transport equipment £000	Restated Total £000
<b>Cost or valuation</b>							
At 1 April 2013	2,090	28,673	238	1,780	693	1,214	34,688
Prior Period Adjustment	-	54	-	-	-	-	54
<b>Adjusted Opening Balance</b>	<b>2,090</b>	<b>28,727</b>	<b>238</b>	<b>1,780</b>	<b>693</b>	<b>1,214</b>	<b>34,742</b>
Additions	-	399	25	119	-	445	988
Disposals	-	(3)	(2)	(19)	-	(38)	(62)
Impairments	-	124	-	1	-	10	135
Revaluations	-	1,961	(1)	22	6	27	2,015
Transfers	(71)	-	-	(22)	-	(20)	(113)
<b>At 31 March 2014</b>	<b>2,019</b>	<b>31,208</b>	<b>260</b>	<b>1,881</b>	<b>699</b>	<b>1,638</b>	<b>37,705</b>
<b>Depreciation</b>							
At 1 April 2013	-	582	130	1,104	317	577	2,710
Prior Period Adjustment	-	4	-	-	-	-	4
<b>Adjusted Opening Balance</b>	<b>-</b>	<b>586</b>	<b>130</b>	<b>1,104</b>	<b>317</b>	<b>577</b>	<b>2,714</b>
Charged in year	-	793	34	125	53	109	1,114
Disposals	-	-	(1)	(18)	-	(35)	(54)
Impairments	-	2	-	1	-	7	10
Revaluations	-	38	(2)	(5)	2	4	37
Transfers Depreciation	-	-	-	(22)	-	(20)	(42)
<b>At 31 March 2014</b>	<b>-</b>	<b>1,419</b>	<b>161</b>	<b>1,185</b>	<b>372</b>	<b>642</b>	<b>3,779</b>
<b>Restated carrying amount at 31 March 2014</b>	<b>2,019</b>	<b>29,789</b>	<b>99</b>	<b>696</b>	<b>327</b>	<b>996</b>	<b>33,926</b>
<b>Restated carrying amount at 31 March 2013</b>	<b>2,090</b>	<b>28,141</b>	<b>108</b>	<b>676</b>	<b>376</b>	<b>637</b>	<b>32,028</b>
<b>Asset financing:</b>							
Owned	2,019	29,789	99	696	327	996	33,926
Finance Leased	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements	-	-	-	-	-	-	-
Contracts	-	-	-	-	-	-	-
<b>Restated carrying amount at 31 March 2014</b>	<b>2,019</b>	<b>29,789</b>	<b>99</b>	<b>696</b>	<b>327</b>	<b>996</b>	<b>33,926</b>

Assets amounting to £132k (previously accrued at 31 March 2013-14) were reclassified as Assets under Construction. A current year asset addition of £12k has been reclassified from tangible Assets under Construction to Intangible Assets under Construction.

Assets amounting to £71k were transferred out of the non-current asset register following a determination that the Department could not demonstrate ownership of them.

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

Please refer to note 1.2 for details on valuation and the use of indices.



## 7.2 Non Operational Heritage Assets

	2014-15	2013-14
	£000	£000
At 1 April	680	680
Additions	-	-
Disposals	-	-
<b>Carrying amount at 31 March 2015</b>	<b>680</b>	<b>680</b>

## 7.3 Assets classified as held for sale

The Department classifies a non-current asset as held for sale where its value is expected to be realised principally through a sale transaction rather than through continuing use. Current assets held for sale are valued on the basis of open market value less any material directly attributable selling costs. Refer to note 1.6 for detail of the Department's compliance with IFRS 5 Non-current Assets Held for Sale.

	2014-15	2013-14
	£000	£000
At 1 April	-	1,290
Disposals	-	(1,290)
Impairment	-	-
<b>Carrying amount at 31 March 2015</b>	<b>-</b>	<b>-</b>

## 8 Intangible assets

### a) Current year: 2014-15

Cost	Sporting and fishing rights £000	Software Licences £000	Websites £000	Assets under Construction £000	Total £000
At 1 April 2014	1,001	134	54	0	1,189
Additions	-	7	-	38	45
Disposals	-	(13)	-	-	(13)
Reclassifications	-	-	-	12	12
Revaluation	(63)	2	-	-	(61)
<b>At 31 March 2015</b>	<b>938</b>	<b>130</b>	<b>54</b>	<b>50</b>	<b>1,172</b>
<b>Amortisation</b>					
At 1 April 2014	-	66	1	-	67
Charged in Year	-	19	11	-	30
Disposals	-	(11)	-	-	(11)
Revaluation	-	(1)	-	-	(1)
<b>At 31 March 2015</b>	<b>-</b>	<b>73</b>	<b>12</b>	<b>0</b>	<b>85</b>
<b>Carrying amount at 31 March 2015</b>	<b>938</b>	<b>57</b>	<b>42</b>	<b>50</b>	<b>1,087</b>
<b>Carrying amount at 31 March 2014</b>	<b>1,001</b>	<b>68</b>	<b>53</b>	<b>-</b>	<b>1,122</b>
<b>Asset financing:</b>					
Owned	911	57	42	50	1,060
Finance Leased	27	-	-	-	27
<b>Carrying amount at 31 March 2015</b>	<b>938</b>	<b>57</b>	<b>42</b>	<b>50</b>	<b>1,087</b>

Sporting and fishing rights were subject to professional revaluation at 31 March 2015 by the Land and Property Service Agency. The valuer has the qualification FRICS Dip Est Man. Thereafter, 'Retail Price Indices CHAW' prepared by the Office for National Statistics were applied to 31 March 2015.

Six sporting and fishing rights to the value of £160k as at 31 March 2015, which were acquired by the Department under the derelict waters provision of the Fisheries Act (NI) 1966, are included within the above figure. The legislation does not itself convey legal title to these rights. Rather they are held in trust. These rights have been held by the Department since 1999 with no challenges made by other parties. Since the Department has been able to enjoy these rights in the past and since there is no current prospect of it not being able to do so in the future, it has been decided, on the basis of substance over legal form, to treat them as non-current assets.

Three sporting and fishing rights to the value of £27k meet the definition of finance leases as defined in note 1.15.

Please refer to note 1.4 for details on valuation and the use of indices.

## 8 Intangible assets

### b) Prior year: 2013-14

Cost	Sporting and fishing rights		Software Licences	Websites	Total
	£000	£000	£000	£000	£000
At 1 April 2013	938	130	-	-	1,068
Additions	-	-	-	54	54
Disposals	-	-	-	-	-
Transfers	36	-	-	-	36
Revaluation	27	4	-	-	31
<b>At 31 March 2014</b>	<b>1,001</b>	<b>134</b>	<b>54</b>	<b>54</b>	<b>1,189</b>
<b>Amortisation</b>					
At 1 April 2013	-	45	-	-	45
Charged in Year	-	19	1	-	20
Disposals	-	-	-	-	-
Revaluation	-	2	-	-	2
<b>At 31 March 2014</b>	<b>-</b>	<b>66</b>	<b>1</b>	<b>1</b>	<b>67</b>
<b>Restated carrying amount at 31 March 2014</b>					
	<b>1,001</b>	<b>68</b>	<b>53</b>	<b>53</b>	<b>1,122</b>
<b>Restated carrying amount at 31 March 2013</b>					
	<b>938</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>1,023</b>
<b>Asset financing:</b>					
Owned	974	68	53	-	1,095
Finance Leased	27	-	-	-	27
<b>Restated carrying amount at 31 March 2014</b>					
	<b>1,001</b>	<b>68</b>	<b>53</b>	<b>53</b>	<b>1,122</b>

Intangible assets were revalued at 31 March 2014 through the application of 'Retail Price Indices CHAW' prepared by the Office for National Statistics. Professional valuations are carried out at 5-yearly intervals with the next professional revaluation being due on 31 March 2015. The valuer has the qualification FRICS Dip Est Man.

Net asset transfers of £36k (£62k transferred in and £26k transferred out) resulted from the ongoing work to ensure registered title exists for all sporting and fishing rights.

Six sporting and fishing rights to the value of £161k as at 31 March 2014, which were acquired by the Department under the derelict waters provision of the Fisheries Act (NI) 1966, are included within the above figure. The legislation does not itself convey legal title to these rights. Rather they are held in trust. These rights have been held by the Department since 1999 with no challenges made by other parties. Since the Department has been able to enjoy these rights in the past and since there is no current prospect of it not being able to do so in the future, it has been decided, on the basis of substance over legal form, to treat them as non-current assets.

Three sporting and fishing rights to the value of £27k meet the definition of finance leases as defined in note 1.15.

Please refer to note 1.4 for details on valuation and the use of indices.

## 9 Impairments

	2014-15	2013-14
	£000	£000
	Core	Core
	Note	Department
	Department	Department
Impairment taken to Statement of Comprehensive Net Expenditure	5, 7.1a	(29)
Total impairment charge/(reversal) for the year	<u>(29)</u>	<u>(125)</u>

## 10 Capital and other commitments

### 10.1 Capital commitments

	2014-15	2013-14
	£000	£000
	Core	Core
	Department	Department
Contracted capital commitments at 31 March not otherwise included in these financial statements	<u>68,223</u>	<u>89,980</u>
	<b><u>68,223</u></b>	<b><u>89,980</u></b>

Capital commitments relate to the Department's implementation of the Regional Stadium Development Programme in line with the key commitment under the Programme for Government. Following NI Executive funding allocation of £110million, the Department implemented the management and development structures that are required for the effective delivery of the stadium programme during the 2014-15 financial year. £68million is contractually committed under letters of offer.

### 10.2 Commitments under leases

#### 10.2.1 Operating leases

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

	2014-15	2013-14
	£000	£000
	Core	Core
	Department	Department
<b>Obligations under operating leases for the following periods comprise:</b>		
<b>Land:</b>		
Not later than one year	2	2
Later than one year and not later than five years	2	8
Later than five years	<u>8</u>	<u>21</u>
	<b><u>12</u></b>	<b><u>31</u></b>
<b>Buildings:</b>		
Not later than one year	31	19
Later than one year and not later than five years	118	77
Later than five years	<u>218</u>	<u>198</u>
	<b><u>367</u></b>	<b><u>294</u></b>
<b>Other:</b>		
Not later than one year	25	46
Later than one year and not later than five years	40	68
Later than five years	<u>28</u>	<u>18</u>
	<b><u>93</u></b>	<b><u>132</u></b>

#### 10.2.2 Finance leases

The Department had no obligations under finance leases.

### 10.3 Commitments under PFI and other service concession arrangements

#### 10.3.1 Off-balance sheet (SoFP)

The Department had no off-balance sheet commitments.

#### 10.3.2 On-balance sheet (SoFP)

The Department had no on-balance sheet commitments.

#### 10.3.3 Charge to the Statement of Comprehensive Net Expenditure and future commitments

No amounts were charged to the Statement of Comprehensive Net Expenditure in respect of off-balance sheet or on-balance sheet transactions.

### 10.4 Other financial commitments

The Department has entered into various non-cancellable contracts relating to IT, premises service charges and specialist storage services. The payments to which the Department is committed are as follows:

	2014-15 £000	2013-14 £000
Not later than one year	490	701
Later than one year but not later than five years	461	171
Later than five years	1,610	784
	<u>2,561</u>	<u>1,656</u>

## 11 Financial Instruments

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

## 12 Investments in other public sector bodies

The Department had no investments in other public sector bodies during the year.

## 13 Inventories

	2014-15 £000	2013-14 £000
	Core Department	Core Department
Fish	176	133
Other	68	31
Total	<u>244</u>	<u>164</u>

## 14 Cash and Cash Equivalents

	2014-15 £000	2013-14 £000
	Core Department	Core Department
Balance at 1 April	(420)	(4,547)
Net change in cash and cash equivalents	(1,703)	4,127
<b>Balance at 31 March</b>	<u><b>(2,123)</b></u>	<u><b>(420)</b></u>
The following balances at 31 March were held at :		
Commercial Banks	(2,124)	(421)
Cash in Hand	1	1
<b>Balance at 31 March</b>	<u><b>(2,123)</b></u>	<u><b>(420)</b></u>

## 15 Trade receivables and other current assets

	2014-15 £000	2013-14 £000
	Core Department	Restated Core Department
<b>Amounts falling due within one year:</b>		
Trade receivables	255	43
Provision for doubtful debts	(2)	(8)
VAT	74	77
Other receivables	20	5
Prepayments and accrued income	143	133
	<b>490</b>	<b>250</b>
Amounts due from the Consolidated Fund in respect of supply	2,144	774
	<b>2,634</b>	<b>1,024</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure.

### 15.1 Intra-Government Balances

	2014-15 £000	2013-14 £000
	Core Department	Restated Core Department
Balances with other central government bodies	2,245	886
Balances with local authorities	2	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<i>Subtotal</i> : intra-government balances	2,247	886
Balances with bodies external to government	387	138
<b>Total receivables at 31 March 2015</b>	<b>2,634</b>	<b>1,024</b>

## 16 Trade payables and other current liabilities

	2014-15 £000	2013-14 £000
	Core Department	Restated Core Department
<b>Amounts falling due within one year:</b>		
Bank Overdraft	2,124	421
Other taxation and social security	-	2
Trade payables	55	35
Other payables	-	7
Accruals and deferred income	2,673	3,236
Government grant	10,193	7,688
	<b>15,045</b>	<b>11,389</b>
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received	20	354
	<b>20</b>	<b>354</b>
	<b>15,065</b>	<b>11,743</b>

A prior period adjustment has been made in order to correct input VAT reclaimed on expenditure

### 16.1 Intra-Government Balances

	2014-15 £000	2013-14 £000
	Core Department	Restated Core Department
Balances with other central government bodies	614	1,435
Balances with local authorities	292	2,538
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	1	343
<i>Subtotal</i> : intra-government balances	907	4,316
Balances with bodies external to government	14,158	7,427
<b>Total payables at 31 March 2015</b>	<b>15,065</b>	<b>11,743</b>

## 17 Provisions for liabilities and charges

### a) Current year: 2014-15

	Core Department	
	Legal Claims £000	Total £000
Balance at 1 April 2014	15	15
Provided in the year	41	41
Provisions not required written back	(12)	(12)
Provisions utilised in the year	(6)	(6)
<b>Balance at 31 March 2015</b>	<b>38</b>	<b>38</b>

#### Analysis of expected timing of discounted flows

	Core Department	
	Legal Claims £000	Total £000
Not later than one year	38	38
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Balance at 31 March 2015</b>	<b>38</b>	<b>38</b>

### b) Prior year: 2013-14

	Core Department	
	Legal Claims £000	Total £000
Balance at 1 April 2013	-	-
Provided in the year	15	15
Provisions not required written back	-	-
Provisions utilised in the year	-	-
<b>Balance at 31 March 2014</b>	<b>15</b>	<b>15</b>

#### Analysis of expected timing of discounted flows

	Core Department	
	Legal Claims £000	Total £000
Not later than one year	15	15
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Balance at 31 March 2014</b>	<b>15</b>	<b>15</b>

## 18. Contingent liabilities disclosed under IAS 37

### 18.1 Quantifiable

The Department is aware of contingent liabilities relating to NIEC Limited which are quantifiable; the estimated amount is £33,000.

### 18.2 Unquantifiable

#### Voluntary Exit Scheme (VES)

The Northern Ireland Civil Service launched a Voluntary Exit Scheme (VES) across all departments on 2 March 2015. The closing date for applications was 27 March 2015. At the balance sheet date, there is a possible obligation on the department which may give rise to a liability should any of the department's employees apply and be successful. It is not possible, at the balance sheet date, to quantify what this potential liability may be.

### 18.3 Financial Guarantees, Indemnities and Letter of Comfort

The Core Department has entered into the following quantifiable indemnities. None of these is a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote. They therefore fall to be measured following the requirements of IAS 39. Managing Public Money Northern Ireland requires that the full potential costs of such contracts be reported to the Assembly. These costs are reproduced in the table below.

	1 April 2014 £000	Increase / (Decrease) in year £000	31 March 2015 £000	Amount reported to Assembly £000
Indemnities to cover local museums borrowing objects for exhibitions	1,218	1,913	3,131	3,131
	<b>1,218</b>	<b>1,913</b>	<b>3,131</b>	<b>3,131</b>

### 19. Losses and special payments

#### 19.1 Losses Statement

	2014-15	2013-14
Total number of cases	-	-
Total amount of cases £	-	-

#### 19.2 Special payments

	2014-15	2013-14
Total number of cases	-	1
Total amount of cases £	-	165,261

### 20. Related-party transactions

The Department sponsors the public sector bodies outside the Departmental accounting boundary listed in the Directors' Report. These public sector bodies receive substantial grant funding from the Department. The Department has had various material transactions during the year with these bodies.

In addition the Department has had numerous transactions with other central government departments and associated bodies. Most of these transactions have been with: Department of Finance and Personnel (the Central Procurement Directorate, NI Statistics and Research Agency, Delivery and Innovation Division, HR Connect and the Departmental Solicitors Office); Department for Regional Development including Northern Ireland Water and Roads Service; Department of Agriculture and Rural Development, including the Rivers Agency, Department of the Environment, including Planning Service and the Northern Ireland Environment Agency, Department of Health, Social Services and Public Safety, including Northern Ireland Fire and Rescue Service, Department for Social Development, including NI Housing Executive; Department of Education; Department of Enterprise Trade and Investment; Office of the First Minister and Deputy First Minister and Department for Employment and Learning.

The Deputy Secretary, Mrs Cynthia Smyth was a director of 2013 World Police and Fire Games Ltd until its dissolution on 21 November 2014. The Department paid World Police and Fire Games £4,334k in Grant in Aid 2013-14 with no payments made in 2014-15.

The Permanent Secretary from 30 March, Dr Denis McMahon is related to the chair of the Trustees of National Museums Northern Ireland. During 2014-15, the Department paid National Museums Northern Ireland £15,048k in Grant in Aid.

The Finance Director from 1 September, Mr David Carson is related to the Chief Executive of Waterways Ireland. During 2014-15, the Department paid Waterways Ireland £2,939k in Grant in Aid.

Otherwise no minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.



## **21. Third Party Assets**

No third party assets were held by the Department during the year.

## **22. Entities within the departmental boundary**

There were no entities within the departmental boundary during 2014-15.

## **23. Events after the Reporting Period**

Since 31 March 2015, applications for the Voluntary Exit Scheme have been processed and conditional letters have been issued to some staff. This has resulted in a conditional obligation arising on the department since the balance sheet date the value of which is not yet known. This is a non-adjusting event and consequently, the 2014-15 accounts have not been adjusted. It is expected that payments to settle this liability will be made during the 2015-16 financial year.

## **24. Northern Ireland Events Company Limited**

On 22 November 2007 the Northern Ireland Executive decided to meet the liabilities of NIEC, a company sponsored by this Department. By 31 March 2015, the Department had settled NIEC liabilities to the value of £1,453,627 (by 31 March 2014, settled liabilities were valued at £1,266,673). At 31 March 2015 the books of NIEC recorded a creditor of £1,453,627 (31 March 2014: £1,266,673) in respect of these payments made by the Department to settle liabilities of the company. No corresponding debtor is reported in the accounts of the Department since there is no prospect of this amount being recovered from NIEC.

## **25. Departmental Restructuring**

The Stormont House Agreement contains a commitment to reduce the number of NICS Departments from 12 to 9 following the Assembly election in May 2016, which will involve functions transferring from some departments to others. The number, names and high level functions of the new departments are currently being considered by Ministers. It is anticipated that staff working in the affected areas will move with the function. The proposed 9-departmental model outlines a machinery of government change where the functions of the Department of Culture, Arts and Leisure will transfer to other departments in May 2016.

## 26. Prior Period Adjustments

Adjustments in respect of the correction of input VAT errors on expenditure have been included in the restatement of 2013-14 Resource Accounts as follows:

### a) Statement of Comprehensive Net Expenditure

	<b>2013-14 Published Resource Accounts £'000</b>	<b>Prior year adjustments £000's</b>	<b>2013-14 Restated £'000's</b>
<b>Administration Costs</b>			
Staff Costs	5,983	-	5,983
Other Administration Costs	2,695	-	2,695
Operating Income	(34)	-	(34)
<b>Programme Costs</b>			
Staff Costs	5,552	-	5,552
Programme Costs	133,886	8	133,894
Income	(975)	-	(975)
<b>Net Operating Cost</b>	<b>147,107</b>	<b>8</b>	<b>147,115</b>

### b) Statement of Financial Position

	<b>2013-14 Published Resource Accounts £'000</b>	<b>Prior year adjustments £000's</b>	<b>2013-14 Restated £'000's</b>
<b>Statement of Financial Position</b>			
Property, plant and equipment	33,877	49	33,926
Heritage Assets	680	-	680
Intangible Assets	1,122	-	1,122
Inventories	164	-	164
Trade and other receivables	1,111	(87)	1,024
Cash and cash equivalents	1	-	1
Trade and other payables	(11,733)	(10)	(11,743)
Provisions	(15)	-	(15)
	<b>25,207</b>	<b>(48)</b>	<b>25,159</b>
<b>Taxpayer's Equity:</b>			
General Fund	20,265	(48)	20,217
Revaluation reserve	4,942	-	4,942
	<b>25,207</b>	<b>(48)</b>	<b>25,159</b>

### Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 26 June 2015.

**DEPARTMENT OF CULTURE, ARTS AND LEISURE ACCOUNTS 2014-15**

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL**

I have qualified my audit opinion on the Department of Culture, Arts and Leisure (the Department) accounts for 2014-15 in respect of irregular expenditure. I have removed my qualification in respect of the legal ownership of certain assets which has stood since 2008-09. These matters are detailed below:

**1. Irregular Spend**

- 1.1. The Department, along with the Department for Arts, Heritage and the Gaeltacht jointly sponsors Waterways Ireland and the North/South Language Body; both are North South Implementation Bodies set up under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 (the legislation).
- 1.2. The legislation requires each body to prepare an annual business plan that is subject to the approval of both Finance Ministers and the North South Ministerial Council. The legislation also states that the department may make grants to the body out of money appropriated by the Act of the Assembly and that such grants shall be of amounts and made on such terms and conditions as the department may, with the approval of the Department of Finance and Personnel, determine.
- 1.3. In order to comply with the legislation, sponsor departments are responsible for providing Business Plans to the Department of Finance and Personnel in sufficient time to allow approval by the Minister of Finance and Personnel and the North South Ministerial Council prior to the commencement of the financial year to which the plan relates.
- 1.4. In 2014 the Department of Finance and Personnel sought legal advice on the legitimacy of grants paid to the bodies prior to the approval of the plans and advised Accounting Officers that failure to follow the outlined approval process in relation to grants made to North/South bodies resulted in irregular spend.
- 1.5. The Department has advised me that given the timing of business plan approvals it has incurred irregular spend of £6,361,000 in 2014-15. This is made up of £2,226,000 in relation to Waterways Ireland and £4,135,000 in relation to the North/South Language Body.
- 1.6. The 2014 and 2015 business plans for Waterways Ireland and the North/South Language Body were approved on 18 December 2014.

*Conclusion*

- 1.7. As Business Plans have not received the required approval, there was no authority for this expenditure. I have therefore concluded that the expenditure is not in conformity with the authorities which govern it and qualified my audit opinion on regularity in this respect.

**2. Legal Ownership: Completeness and valuation of assets**

- 2.1. Since 2008-09 I reported that, on its formation on 1 December 1999, the Department included in its financial statements assets which had previously been held in the financial statements of other departments. Given the nature of some of these assets, legal ownership had not been formally established in all cases. The Department also advised me it may have taken on ownership of assets following the transfer, details of which are not recorded in its financial statements.
- 2.2. Over the last number of years the Department has made significant progress in resolving the matter and the Department has now provided me with sufficient audit evidence to confirm its ownership of these assets, which originally included sporting and fishing rights, fish farms, and inland waterways.
- 2.3. My qualified audit opinion in 2013-14 extended only to inland waterways, specifically the completeness of the valuation of the asset referred to as the Lagan Navigation. The financial statements include non-current assets with a carrying amount of £35,821, 000 at 31 March 2015 (2013-14: £33,877,000 (Restated to £33,926,000)). Included within these amounts are *Land and Buildings* with a carrying amount of £1,507,000 relating to waterways (2013-14: £1,580,000).
- 2.4. The Department has advised me that a proposal to re-open the Lagan Navigation as far as Lough Neagh is under consideration and a Strategic Outline Case has been prepared for the first phase (Belfast to Lisburn). Detailed mapping of the lower reaches is complete and work on the upper

reaches is at an early stage. However, given the Departments current budgetary position and the likelihood of an even more constrained environment in the future, the Department has taken the view that pursuing the mapping and registration process presently does not offer good value for money. The Department is proposing that resolving the outstanding issues around the Lagan Navigation should form part of the proposed Lagan Navigation re-opening project.

- 2.5. Mapping of the Lagan Navigation to date has identified areas that may need to be excluded because of transfers of ownership by agreement and of acquisition by adjoining landowners by adverse possession. The Department acknowledges it has not completely resolved the issue of ownership, as detailed descriptions and therefore valuations, of the land and property involved are not yet fully available. However the Department does not consider these areas to be significant in the context of the Lagan Navigation as a whole.
- 2.6. My review of the documentation supporting the mapping exercise has enabled me to gain sufficient audit evidence to conclude that the financial statements are not materially misstated as a result of ownership issue not being completely resolved.

*Conclusion*

- 2.7. I have been able to obtain sufficient audit evidence concerning the completeness and valuation of the Lagan Navigation and I have no longer qualified my audit opinion on the truth and fairness of the financial statements in this regard. I encourage the Department to continue to progress full resolution of this issue, as intended.



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26 June 2015



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