



ANNUAL REPORT 2015-16



Annual Report 2015-2016

CITB NI Annual Report and Accounts for the year ended 31st August 2016

Laid before the Northern Ireland Assembly pursuant to Article 21 (2) of the Industrial Training (NI) Order 1984 by the Department for the Economy on date and year.

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PERFORMANCE REPORT

Chief Executive's Foreword

Throughout the year CITB NI continued to support the industry in addressing its training needs to provide the skills necessary to survive and prosper in what is a significantly challenging business climate.

We were encouraged to see moderate and sustained output growth within the Northern Ireland construction sector however the rate of growth is less than the rest of the UK and has restricted sector salary levels upon which our levy income is based. We have been active in ensuring that all construction companies that should be paying a levy and benefiting from our services were registered with us.

The output growth we have seen is predicated upon most of the large Northern Ireland based construction companies completing substantial levels of work outside Northern Ireland. This is a relatively recent development in the sector and not one that was common 52 years ago when the legislation was written and CITB NI was formed. The legislation prohibits both levy income generation and our training support for work outside Northern Ireland. We have been reviewing with our sponsoring Department the changes required to the legislation to alter this, and have made limited progress.

The introduction of NI Government budget cuts has led to reduced funds for investment in skills projects and the redirection of any available funds towards the Further and Higher Education bodies. In recent years we would have secured substantial levels of income from these funds to deliver skills projects to benefit the industry. We have been very active at sourcing alternative funding sources this year and have enjoyed some success.

Slow sector growth, working outside of Northern Ireland and the reduction and the realignment of Government funding have each impacted upon our income and provided a very challenging environment for us to be able to provide the support the industry requires. We have risen to this challenge and worked in partnership with industry and other stakeholders to deliver creative and effective training interventions to meet industry needs.

The incoming year will provide further challenges for our organisation. A number of staff left the organisation under the NICS Voluntary Exit Scheme which will necessitate some restructuring and reviewing of services and how these are delivered. Introduction of the Westminster Apprenticeship Levy in April 2017 will result in less funding being available for training in Northern Ireland and increased bureaucracy for companies working throughout the UK. Finally no review would be complete without mentioning the potential impact of Brexit. How this will affect the supply of and demand for skills is yet to be realised, but the impact on construction output has already been forecast as being negative. Time will tell on each of these issues but I am confident that CITB NI will rise to the challenge and be successful in supporting the industry to address its training needs.



Barry Neilson
Chief Executive

Overview

CITB NI presents its annual report for the year ended 31 August 2016. The financial statements have been prepared under the Industrial Training (Northern Ireland) Order 1984 in a form directed by the Department for Employment and Learning (DEL), Department for the Economy (DfE) from May 2016 with the approval of the Department of Finance (DoF).

CITB NI was formally established as an Industrial Training Board (ITB) under the Industrial Training Act (Northern Ireland) 1964 and subsequently repealed by the 1984 Industrial Training Order, to encourage the adequate training of those employed or intending to be employed in the construction industry in Northern Ireland.

The legislation enables the raising of a statutory levy for the purposes of encouraging employers to participate in training and to fund the Board's activities. Relevant employer bodies are consulted annually in respect of the levy rate, which is set by the Board and approved by the Sponsoring Department.

CITB NI combines the roles of an ITB and Sector Skills Council (in partnership with CITB GB) to improve the skills and productivity of the industry in NI by engaging with employers to determine their skills needs, and working with Government and stakeholders to meet those needs through direct intervention to facilitate the development and delivery of critical skills for the industry.

Mission, Vision & Aims

Mission;

To develop and embed a training culture which will improve the skills and productivity of the Northern Ireland construction industry.

Vision;

A construction industry where skills and competence are at the core of every business supported by a respected and valued CITB NI.

The Board approved CITB NI aims as being;

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

CITB NI is delivering these aims through a range of actions which will improve our organisation and its services to the construction industry in NI.

Key Issues and Risks

The 2015-16 year has been yet another challenging time for CITB NI. While research carried out indicates a modest but steady rise in construction activity within NI, activity in other areas of the UK continues to increase at a higher rate. Consequently, the NI construction industry continues the trend to operate outside the boundary of the NI Economy.

CITB NI commenced discussion on legislation changes with the Sponsoring Department in the 2014-15 budget year. A series of changes have been proposed however the Department focused on two main areas:

- Allowing CITB NI to support and collect levy from NI employers for their operations outside NI.
- Reviewing the Levy threshold for employers emoluments

As yet no progress has been made in these areas.

Out of the 3681 registered employers in NI, 1025 (28%) contributed to the levy compared to 918 (25%) out of the 3,577 in 2015. The levy threshold is set at £80,000 which means that those employers with total emoluments less than £80,000 do not have to pay levy but can avail of CITB NI's services. As there are a significant number of small businesses in Northern Ireland this accounts for the relatively low proportion of employers contributing to the levy.

Year End	No of Levy Payers	No of Non Levy Payers	Total Registered	% Levy Payers	Threshold
2010	1134	2092	3226	35%	£80,000
2011	914	2344	3258	28%	£80,000
2012	834	2429	3263	26%	£80,000
2013	759	2454	3213	24%	£80,000
2014	737	2393	3130	24%	£80,000
2015	918	2659	3577	26%	£80,000
2016	1025	2656	3681	28%	£80,000

Levels of levy income continue to fall behind predictions as growth in the construction sector lags behind other areas of the UK. Moderate, and sustainable, levels of growth are welcomed to ensure the sector does not suffer the "boom & bust" issues of the past. However the delay in the NI economic recovery, in relation to other areas of the UK, has meant that we are behind the predicted levels of activity and therefore CITB NI income, which is directly linked to sector salaries, has not progressed as anticipated.

The introduction of NI Government budget cuts to meet other priorities has also led to a significant reduction in investment in skills projects, which has had a significant impact on the 2015-16 CITB NI budget.

A project to review how CITB NI identifies new employers who may be in-scope to its activities was undertaken. This identified that many new companies were not aware of their obligations to CITB NI, or indeed how CITB NI could support them in training their workforce as they develop skills and systems for their emerging companies. The project has resulted in developing closer relations with those companies and an ongoing process of identification and induction of new companies.

CITB NI has continued with a policy of developing partnerships with bodies to develop skills initiatives. This has had some success in developing skills but involves significant resources to identify and capitalise on potential opportunities.

CITB NI aims to focus on the delivery of benefits to the sector that meets its long term strategic aims. The main mechanism continues to be financial grant support for employers to support training they source and procure themselves to support their activities within NI. This combined with training interventions facilitated by CITB NI directly, provides a flexible system that can reach the needs of the industry.

In the 2015-16 year the level of support provided to employers who operate outside NI was investigated. Whilst CITB NI would endeavor to support the development of skills to support in-scope employers in all areas of their operations, legislation prohibits support for operations outside the geographic boundaries of NI. As indicated above discussions have been ongoing for some time to review this as the NI construction sector becomes a successful export business, however the legislation remains unchanged.

The investigation highlighted the extent of the issue with some major NI employers indicating that over 90% of their operations are outside NI, resulting in discussions on how CITB NI can, and should, support our industry better. These discussions are ongoing and linked to proposals to change our legislative restrictions.

The announcement of the forthcoming Apprenticeship Levy (AL) and its implications to CITB NI's operations and funding were highlighted in 2014 when they were first proposed. The impact of the AL, while advanced in England, remains unclear for the Devolved Nations. CITB NI awaits clarity on how the AL will operate in NI, beyond its collection by HM Treasury which is due to commence in April 2017. This uncertainty has had an impact on the budgetary process and is likely to be incorporated into any review of CITB NI legislation going forward.

Position at Year End

CITB NI's statement of financial position is sufficiently liquid to meet its current financial obligations. During the year ended 31 August 2016 net current assets have increased to £0.93million. Cash at bank and in hand has increased from £1 million to £1.2 million at the year end and was invested in term deposit accounts during the year.

Reserves

The Statement of Comprehensive Net Expenditure (SoCNE) reserve at the year-end has decreased by £3.5 million from £1.5 million net asset position to a net liability position of £2.1 million.

There has been a significant movement of £3.6million in the NILGOSC pension liability in this year resulting in an adjustment of £3.6 million in respect of actuarial losses which have been debited to the SoCNE reserve.

The annual pension report, which is provided by an appointed independent actuary, has showed a movement from an International Accounting Standard (IAS) 19 calculated deficit of £1.4 million to a deficit of £4.9 million. The actuary explained that this movement is due to changes in the financial assumptions used to value the assets and liabilities.

IAS 19 requires the calculation of the liabilities to be based on an assumption for the “discount rate” equal to the yield on high quality corporate bonds. “High Quality” is generally interpreted as AA rated corporate bonds. The reduction in UK AA rated corporate bond yields following the Brexit vote has caused the reported liabilities to increase significantly.

It is possible that UK AA rated corporate bond yields could increase by 31 August 2017 but given the current levels of volatility in the market it would be unwise to predict future movements in the bond yields.

The actuary also explained that there is considerable volatility in the IAS 19 surplus/deficit that would be disclosed at any given date due to current market conditions and therefore it is not possible to confidently predict what the IAS19 position will be at the end of the next financial year, hence the current year’s adjustment to reserves does not mean that the same position will exist next year. Further information on pensions can be found in note 11 to the accounts.

Financial Strategy

CITB NI is committed to ensuring that income received is utilised appropriately to encourage adequate training within the industry.

The Board is continually considering options to support the industry through this difficult economic climate by making best use of reserves, whilst ensuring it maintains financial stability.

In August 2015 a new medium term financial strategy was developed and subsequently approved by the Board. The themes emerging from the CITB NI strategy and the financial projections outlined in the financial strategy can be brought together to effect three main financial aims.

1. To be a financially sustainable organisation, well placed to meet the challenges of the construction sector in Northern Ireland and meet the needs of our stakeholders.
2. To secure sufficient financial independence to allow CITB NI to deliver its strategy 2015-18 and beyond.
3. To deliver excellent financial management

The key purpose of the Financial Strategy is to ensure that the core work of CITB NI is sustained and maintained and that effective use is made of all financial support received.

In 2015-16 the Board has managed to maintain its level of net current assets to the same value as 2014-15 and has been developing activities that may lead to additional income streams in the future.

Going concern

Although the Statement of Financial Position shows CITB NI to have a net liability position, the Board do not consider there is a risk of CITB NI not being a going concern. The net liability is due solely to the NILGOSC pension liability which is a multi-employer pension scheme. The amount of liability recorded in the Statement of Financial position is an actuarial assessed estimate of CITB NI's proportion of the overall NILGOSC scheme. As a result of the EU referendum vote in 2016 financial assumptions used to calculate the liability have significantly changed which has affected the valuation. It is not likely that this liability will crystallise and as market conditions are currently very volatile this liability could change significantly on a daily basis.

CITB NI has sufficient working capital at 31 August 2016 to meet its current obligations. On this basis the Board considers CITB NI's financial position at the year-end to be satisfactory.

Performance Analysis

Measuring Performance

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

The results of the Balanced Scorecard are then used to inform future strategies and improve performance. KPI targets within the Balanced Score Card are reviewed annually. Performance against these is reviewed regularly by the Executive Management Team and progress reported to the Board three times within the year.

A copy of the Balanced Scorecard is provided in Appendix 1 and shows overall performance against the Critical Success Factors for 2015-2016.

Performance Summary

Levy

The levy rate for 2015-16 remained at 0.65% of employers emoluments. For the purposes of calculating levy, the definition of emoluments are gross wages paid in the relevant tax year to Pay as you Earn (PAYE) employees and subcontractors working in Northern Ireland. The levy rate was determined in accordance with the Board's financial strategy.

Levy Assessors carried out audits on a risk assessed basis so that the correct amount of levy had been assessed for each registered in scope employer audited. A total of 809 audits were attempted during the year, an increase of 130 on the number for the previous year.

There are occasions when employers either do not provide the appropriate information at the time of the audit or cancel the scheduled appointment to be rescheduled at a later date. This results in the audit not being able to be completed within the financial year. However such cases are scheduled into the levy assessor's work to follow up until completion of the audit is achieved.

The above has resulted in refunds due to overpayment amounting to £85,599 (an increase on last year) and £168,610 of additional levy being invoiced during the year as a result of the work undertaken by the levy assessors.

97.5% of the invoiced levy was recovered during the year which compares favourably with previous years. The remainder will continue to be actively pursued. Levy income for the year was £2,549,243 which was an increase of 2.6% on the previous year figure.

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

There were 17 levy scope challenges heard by the internal scope panel during the year which resulted in 11 employers remaining in scope and 6 taken out of scope. There were no cases listed for Industrial Tribunal during the year.

The Board Review Committee recommended to the Board for approval two levy process maps during the year which have now been implemented and incorporated into the day to day work of the Levy team.

A new levy registration project commenced during the 2014-15 year and concluded in August 2016. The purpose of the project was to identify employers working in the Construction Industry in Northern Ireland who are not currently registered with CITB NI. The project yielded very good results with a number of employers identified that should be registered and others who have been pre-registered that require further investigation. The additional levy invoiced as a result of the project was £136,804 proving it to be a worthwhile exercise.

The recommendations arising from the project will be incorporated into the daily work routine of the Levy team and resources have been allocated accordingly to ensure that construction employers are registered with CITB NI on a regular basis.

Grant

While the finance available for grant to the industry has declined in line with income a significant proportion of the levy has been returned to the industry in direct and indirect benefits. The value of direct grant returned to the industry represented 48% of the levy (based on actual income). This represents substantial support to the industry to prepare it for an economic upturn which is in line with CITB NI's financial strategy. The benefit to the industry in terms of direct support for training was:

• Tier 1	£985,005
• Tier 2 (Partnership)	£40,600
• Tier 3 (Direct Training)	£192,519
Total Direct Grant	£1,218,124

The figures above include grants paid and accrued in addition to adjustments in respect of prior period accruals.

The main areas of grant claims under Tier 1 are short duration training, NVQ achievement (non-apprenticeship), H&S training and Technical Management and professional.

In addition to direct support to the industry through grant, CITB NI has invested resources to secure external funding to support skills within the industry. Funding to support skills development was obtained through bids to the Heritage Lottery Fund and the Department for the Economy. This is detailed elsewhere in the Annual Report.

During 2015-16, 534 employers claimed grant (2014-15:609), (2013-14:892), with a total of 5,713 grant applications.

Over the year 393 grants were claimed by levy payers and 141 by those who are below the threshold and do not pay levy. This is an indication of the support provided to smaller companies, however many micro companies benefit indirectly from grant through receipt of training carried out by larger companies so this is only an indication.

The continuing review of the Grants Scheme will take place during 2016-17. The purpose of the review is to assess how CITB NI levy and other sources of funding are used to encourage training within the Construction Industry. There will be direct input by the industry through its Federated bodies and direct contact with employers. CITB NI has established a Focus Group which has also been participating with the review of the Grants Scheme.

Employers are actively being encouraged to provide suggestions on changes for the Grant Scheme and areas for support through Tiers 2 & 3 of the Grant Scheme.

Training Interventions and Industry Support

Training Interventions

CITB NI's involvement in direct training Interventions allows essential training and knowledge to be disseminated to the industry where it does not exist or is not readily available in NI. It is important to help our industry remain competitive and provide a good service to its clients.

The Training Intervention programme has resulted in positive feedback from the industry and resulted in more flexibility and a method of delivering training on strategic or new approaches to employer needs at low cost.

CITB NI supports training that the industry has identified as important to development and productivity. These interventions continue to target areas identified by the industry representative bodies as critical to employers in dealing with the current economic climate.

The industry training that was provided directly by CITB NI was specifically aimed at three specific areas; health and safety training delivered on site by the Mobile Training Unit (MTU), scaffolding training, and the Undergraduate Development Programme (UDP). A total of 855 training days were delivered to the industry via these three training and competence measures.

Other interventions that were either organised and delivered in partnership with external bodies or procured by CITB NI were supported. These interventions included NVQ level 4 and 6 for Construction Site Managers and Supervisors and a Leader in Construction programme for emerging owners/managers.

Mobile Training Unit (MTU)

The Mobile Training Unit (MTU) provides a convenient way of meeting training requirements with minimum disruption to the site and production. It is a tried and tested way to train and develop experienced workers on site and has been recognised as a flexible and innovative approach to meeting employers training needs. The MTU currently travels across the Province delivering an extensive range of construction related, health & safety and bespoke training to operatives, supervisors and managers. A total of 1,733 individuals attended training by means of the MTU or via an onsite venue.

Scaffolding Training

The scaffolding programme provided training and assessment for 87 individuals through the Construction Industry Scaffolders Record Scheme (CISRS) Part 1, Part 2 and Advanced Scaffolding. Twelve operatives achieved either NVQ level 2 or NVQ Level 3 through the scheme allowing them to acquire their industry recognised scaffolder card. CITB NI remains the only facility in Northern Ireland able to provide the Construction Industry Scaffolders Record Scheme (CISRS).

Undergraduate Development Programme (UDP)

CITB NI continues to deliver an Undergraduate Development Programme (UDP) focussing on undergraduates on their year out from NI Universities and Further Education Establishments. The aim of the programme is to develop skills which employers are looking for in graduate level entrants to the construction industry.

The UDP contains four elements that contribute to the competence development of new construction managers, these include; team building exercises, health and safety at supervisory level, practical craft awareness and training in core management skills. All undergraduates who participated in the programme attained a Construction Skills Register (CSR) Registration Card.

CITB NI has seen a decline in the numbers attending this course. Anecdotal evidence indicates this is due to the numbers working outside NI and not available to attend the programme, which is delivered at CITB NI premises.

NVQ Level 6 in Construction Site Management.

This initiative was as a direct result of a very successful intervention in the previous year when CITB NI supported the Federation of Master Builders (FMB) to enable a number of their members to undertake an NVQ in Site Management.

The Level 6 qualification in Construction Site Management was delivered as result of a joint submission by the Northern Ireland Demolition Association (NIDA) and FMB who identified a need to continue to improve the competence and qualification attainment of senior managers within their member companies. The qualification was delivered via a number of workshops, on site assessments and electronic portfolio building over a period of six months, 19 candidates successfully completed the qualification.

NVQ Level 4 Diploma in Construction Site Supervision

The pilot NVQ Level 4 in Construction Site Supervision was developed and introduced as a result of industry feedback on the need to improve the quality and competency of individuals who undertook the role of a site supervisor or site manager.

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

The use of CITB NI's Virtual Environment Training Facility (VET360) to enhance and improve the learners understanding and collective approach to problem solving has been a major development in the attainment of the qualification with very positive feedback from both the course participants and the training provider.

Due to over subscription of numbers for the pilot programme a second programme was advertised, recruited and commenced just prior to the end of the training year.

Leader in Construction Programme

CITB NI developed and introduced the Leader in Construction Pilot Programme. The programme was designed as a progression route for emerging company leaders.

It was launched in January 2016 with the first 15 participants commencing in late February 2016. During 2015-16, an initial 360⁰ assessment, five workshops, a European study visit and one-to-one coaching was undertaken.

VET360 – A new approach to experiential training

Following research into innovative approaches to training and assessment CITB NI purchased a new facility which has been titled, Virtual Environment Training 360 (VET360).

The facility comprises a 3 meter cube in which video images are displayed to portray a 360 degree 'virtual environment'.



The system allows participants to experience complex and hazardous sites or work locations in a safe environment. The viewer becomes immersed in a 360 degree allowing greater understanding and helps to improve design, planning, induction, briefings and training.

VET360 has been used to great effect on a number of training courses. It can assist and support training and awareness, not only for the construction sector but many other areas of commerce where training and development occurs.

Qualifying the Experienced Workforce

Delivery of the second phase of 1000 NVQs was completed in March 2015 with 985 qualifications delivered bringing the total delivered over all phases to 1571 qualifications.

Funding for a further 200 qualifications was secured and delivery commenced in May 2016, with 129 places taken at end August 2016, of which 25 were completed qualifications and 104 were in progress.

Specialist Apprenticeship programme in Heritage Wood Occupations

The first ever Heritage Specialist Apprenticeship programme in Wood Occupations for 11 experienced carpenters and joiners, which included a 20 day off-the-job training programme and an eleven month placement with experienced heritage contractors, commenced in September 2014. The programme was supported by the Heritage Lottery Fund.

All 11 experienced carpentry and joinery trainees achieved the NVQ Level 3 Diploma in Heritage Skills (Construction) in Wood Occupations.

Also three lecturers from Belfast Metropolitan College, South West College and South East Regional College completed a programme of Trainers CPD by shadowing and assisting the delivery of the off-the-job training and are now able to deliver the course in each of their respective colleges.

A team of seven Heritage Ambassadors/Mentors were engaged to pass on their skills and knowledge to the placements and promote the built heritage sector in Northern Ireland.

The programme completed in August 2016 with the final report and evaluation submitted to the Heritage Lottery Fund.

CITB NI was a runner up in the Education Category for a National Lottery Award for this project.

Built Heritage Upskilling Programme

A Project Enquiry Form was submitted to the Heritage Lottery Fund for a potential bid to fund a programme for 28 people to be upskilled and achieve an NVQ Level 3 in Heritage Skills (Construction), a Heritage Ambassador/Mentor programme and provide a series of short courses. Development of an initial application was begun during the year which will be submitted in autumn 2016. This project will build upon the outcomes of the previous successful Heritage Lottery Funded programmes.

Historic Scotland Bursary Scheme

CITB NI has managed six placements, funded by Historic Scotland's Heritage Lottery Funded programme. All placements were with the Northern Ireland Environment Agency and all gained a National Progression Award for the Conservation of Masonry. The programme completed in January 2016 and final claim was submitted in May 2016.

Industry Support

Facilities

The facilities at CITB NI continue to be utilised with regular hire of classrooms and the practical training areas (both internal and external) to support and drive industry training.

Over the year a number of industry bodies and external organisations use the premises to hold committee and ad-hoc meetings due to its central location and plentiful car parking. A total of 77 meetings and training events were held at the centre during this period.

The use of CITB NI as a base to hold the monthly committee and information/guidance seminars by the pan-industry Northern Ireland Safety Group (NISG) has continued. The NISG meetings and Annual Conference attract between 70-120 attendees to each event.

SkillBuild NI

SkillBuild NI is the annual construction craft competition which is managed and organised by CITB NI on behalf of the industry. The competition, conceived in the late 1970's has grown over the years to include 12 trade areas and an average of 100 apprentice competitors.

The apprentices selected to compete at SkillBuild NI have all competed at Inter Campus Competitions held in the college they attend. On average over 300 young people compete to be among the top apprentices from across the Province in their chosen trade area.

Competitors who score in the top percentile across the UK can be invited to compete at the UK National Finals held as part of the World Skills UK Skills Show.

One of the aims of Skillbuild NI is to promote the skills within the NI construction sector by developing competitors with the skills and ability to represent the UK at the biannual World Skills event, the largest and most prestigious vocational competition on the planet.

CITB NI supported the 12 construction apprentices who competed at the UK National Finals held in the NEC during November. Our competitors returned with three Gold medals – Carpentry, Roof Slating & Tiling and Wall & Floor Tiling, plus a Silver Medal in Plumbing and a Bronze Medal in Carpentry. A further two Highly Commended Awards in Joinery and Plumbing made the haul for the construction and built environment team the best for a number of years.

Working with the British Council

CITB NI hosted a number of research and study visits that were organised and supported by the British Council. The visitors were interested in CITB NI's approach to training and development and how industry's needs were identified and supported by means of direct interventions or our partnership approach to working with the trade and representative bodies. The tri-party approach of industry, education and government was highlighted and received much comment and commendation as to an ideal solution to training and development for economic growth.

Marketing & Communications

2015-2016 was year two of the three year Marketing and Communications Strategy to promote the products and services CITB NI provides to employers.

Throughout the year a series of publications were developed and published to support CITB NI products and training services. A third case study book was published in addition to a series of case studies to support the NVQ Level 5 Diploma in Management Programme.

The Annual Report Summary publication was produced to keep employers up to date with industry performance and our progress on key outputs and to promote on-going training events and interventions.

A number of press releases were developed and sent to local and trade press which generated 109 press clippings with a total PR value of £40,689 and contributed to employer awareness of our services.

A review of the 2015-2016 budget resulted in a reduction of the marketing expenditure and advertorials in the trade press. However progress was made in media partnerships with both Specify and Plant and Civil Engineer who regularly promote CITB NI in relation to Leader in Construction and general training initiatives.

Sponsorship support was provided to the CIOB Annual Lecture and the GCSE in Construction.

Stakeholder Engagement

Engaging with stakeholders is important to understand and ensure industry training needs are addressed. During 2015-16 stakeholders were engaged every four days through direct contact. Stakeholders included, Heritage Lottery Fund, Department for Economy, Federation of Master Builders, Specialist sector bodies, Construction Employers Federation and Invest NI.

Built Environment Sectoral Partnership (BESP)

In November 2015 a BESP was established consisting of representatives from industry bodies, further education and the Department for the Economy.

The partnership aims to provide opportunities to share knowledge and training and provide a collective voice for the industry on qualifications, apprenticeships and youth training.

Employer Engagement / Business Improvement Seminars

Ten employer engagement / business improvement seminars were delivered in 2015-16. Topics covered included waste management, BIM, credit control, tendering, sales and marketing, and working with remote teams. The events were attended by a total of 83 employers.

Combined marketing and event activity resulted in CITB NI engaging with registered employers on average every eleven days.

Women in Construction Network

Monthly updates to the events section of the Women in Construction Network website were completed and news articles uploaded. A seminar and networking event was held in February 2016 with presentations from two Women in Construction representatives on their careers to date and the Women in Science and Engineering (WISE) Awards.

A site visit to the Connswater Community Greenway facilitated by Farrans was held in June 2016.

Recruitment & Careers

Working with our group of industry ambassadors CITB NI attended 13 careers events and engaged with around 19,000 students to promote Construction as a career choice. CITB NI also attended two Careers Teachers events and engaged with 400 careers teachers to enlighten them of the opportunities within the construction sector. A section of the CITB NI website is dedicated to careers plus we have partnered with CITB in GB to share their Go Construct careers portal and promotional material.

GCSE Construction

CITB NI continued to provide the GCSE Construction textbook to support the current GCSE in Construction & the Built Environment. Bursaries were awarded to the top 3 students of the 593 studying the qualification in June 2016. A total of 6,244 students have achieved the qualification in the last 12 years. Thirty three schools currently deliver the qualification across Northern Ireland. CITB NI participated in the review of the GCSE in Construction which has resulted in the development of an insert for the text book to cover the additional topics.

Research

Throughout the year CITB NI completed or contributed to a number of research surveys to increase its understanding of the training needs of the NI construction industry and to ensure that an adequate supply of training was available for all sectors of the industry.

Annual Skills Statement

Work began in summer 2016 to update the Annual Skills Statement which will be published in November/December 2016.

Labour Market Intelligence

The Construction Skills Network (CSN) continued its work to produce accurate and up-to-date Labour Market Intelligence (LMI) for the Northern Ireland construction industry. This included an electronic consultation with members and a meeting of the CSN Observatory to obtain input to draft forecasts from key industry stakeholders. The 2016-20 LMI Report for the NI construction industry was published and distributed to stakeholders.

Employer Tracking Survey

The annual Employer Tracking Survey of 100 NI employers were completed and actions from the findings were addressed. The survey sought to determine customer perceptions and satisfaction levels with CITB NI.

Stakeholder survey

The annual Stakeholder Survey fieldwork was completed in summer 2016 and is expected to be published in November 2016.

Employer Attitudes and Motivations to Learning and Training

The Employer Attitudes and Motivations to Learning and Training research provides an open and regular programme of employer consultation. It provides a reality check for anecdotal reports

and enabling employer reactions to be gained on 'hot topics' of the moment. The report for Wave 15 of the research included 109 responses.

Topics covered included key business challenges, the economic downturn & recent business performance, apprentices & graduate recruitment, training progression, recruitment & recruitment barriers, the revised CDM regulations and non UK workers.

Skills and Training Survey

The Skills and Training Survey was completed in August 2016. The survey looked at output constraints, skills shortages, skills gaps, emerging skills needs, workforce training development, trends in training, expenditure, and apprenticeships. Actions arising from the findings are being implemented.

Consultations

During the year 2015-16, CITB NI responded to the following consultations:

DEL – Development of a Further Education Strategy for NI - the consultation sought views on a series of policy commitments in order to establish a world class system of further education in Northern Ireland.

BIS – Consultation on Apprenticeship Levy – sought views on the proposal to implement an apprenticeship levy on employers.

Funded Projects / Specialist Sectors

In recent years CITB NI has endeavoured to obtain additional funding from external bodies to help it address the training needs of the industry including specialist sectors. The following activities were undertaken during the year.

External Funding / Non-Levy Income

Monthly review of all non-levy income funding streams continued in 2015-16. Investigations were carried out into various funding streams and partner searches were carried out however no suitable partners were identified. Workshops around Erasmus+ and Invest NI Research and Development funds were attended. Funding was secured for a further 200 QEW qualifications. Work has started on bids to DfE and Heritage Lottery Fund for further qualifications and programmes.

UKCES Skills for Innovation in Manufacturing

CITB NI and the Northern Ireland Polymers Association (NIPA) worked together, supported by the UK Commission for Employment & Skills to develop innovation skills between the polymers and construction industries in Northern Ireland. The working groups resulted in 22 employers testing out new 'innovation interventions' to improve their own innovation capabilities and shared good practice via a toolset for other businesses in the sectors.

The project completed in June 2016 with a joint industry wide dissemination event and has gained wide recognition for its outcomes.

Standards and Qualifications

The CITB NI Construction Standards and Qualifications Strategy (CSQS) supports the development of industry training and qualifications in Northern Ireland through the implementation and operation of 10 action strands which were all progressed during the year. The 10 strands are: Consultations, New Entrants, Supporting Specialist Sectors, Mutual Recognition, New Technologies, Development of Employer information guidance, Develop Qualifications and Standards, Maintain Standards, Training & Competence, and Funding.

Health & Safety Information

The final Health & Safety booklets and occupational information guides were completed during the year. The 28 publications cover: Scaffolder, Plant Operator, Roofer, Painter, Landscaper, Glazier, Bricklayer, Plasterer, Road Builder, Joiner, Wall & Floor Tiler, Construction Operative, Steel Erector, and Insulation Installers.

IT Systems

CITB NI continued delivery of the IT strategy for the 2014 to 2017 period. In support of the continuing commitment to use technology to improve the effectiveness and efficiency of both in-house and customer facing services, several IT projects were commissioned during the course of the last year.

Website and E-Business

The CITB NI website and E-Business capabilities were updated to improve the customer experience and provide enhanced customer information. The database that contains all customer information and processes levy and grants payments had a number of modifications made to improve system operation and information available to employers.

CITB NI has been engaging more pro-actively through social media with 512 followers established on Facebook, 424 on Twitter and 318 on LinkedIn. An average of 5,746 visitors per month visited the website throughout the year. There was also regular communication to registered employers through e-mail and SMS text messages promoting employer events, Qualifying the Existing Workforce, employer training grants and signposting to the website for more information.

Throughout 2015-16 CITB NI established a monthly email update titled Construction Digest which formed the basis of an electronic news update. An ezine newsletter will be introduced in 2016-17 which will combine a number of our current regular printed publications.

Sustainability and Efficiency Measures

A continuous drive to affect cost savings has contributed to the Board's sustainability and efficiency measures.

On-going management of general overheads resulted in a number of savings against budgeted expenditure, this included electricity, heating oil plus a saving on paper and the amount of general waste.

Electricity costs were reduced as a result of less units being used equating to a 32% saving on the budget. An expenditure saving in heating oil of over £4,400 resulted from cheaper oil prices and more controlled management of the heating and hot water system. Overall savings of 30% on the 2014-15 expenditure across the six Waste Management Measures have been achieved for the year.

CITB NI is moving away from printed publications and introducing electronic documents that are emailed to employers and stakeholders and which can be easily accessed on our website.

Sustainability Report

CITB NI constantly strives to make efficiencies that result in realistic and meaningful savings in terms of both environmental and sustainable resources.

A policy of control over energy and utility services plus improved management has resulted in significant reduction of consumables over the past number of years. The organisation seeks to comply with best practice and procedures relating to sustainable development and the targets around carbon reduction incentives. Therefore the organisation has established baseline figures under its Waste Management Action Plan covering five specific areas of control. These include general waste, recycling, paper, electricity and heating oil.

In the base year 2008-09 an exercise was undertaken to establish the organisations' carbon footprint resulting from the emissions from fuel, electricity and business travel. The calculation estimated a carbon footprint of 342.69 tonnes CO₂e for the year.

A carbon footprint for the organisation during the 2015-16 year of 175.95 tonnes CO₂e represents almost a 2% reduction over the 2014-2015 figure. This calculation further represents a 49% reduction on the organisations emissions since the base year in 2008-09.

The refurbishment of sections of the office and training facilities has improved energy efficiency measures resulting in reduced oil and electricity consumption which is to be noted. This coupled with improved thermal insulation installed during the refurbishment has improved the working environment for staff and visitors.

Complaints Handling

CITB NI has in place a complaints procedure and the Board Administrator is the designated Complaints Officer. All written complaints are acknowledged and a full investigation and resolution sought within 20 working days. Written responses to formal complaints are under the signature of the Chief Executive, who is kept informed at all stages of the procedure and the action being taken. Records of all complaints received are maintained for monitoring purposes.



Mr W M Johnston – Chairman

Date: 19/01/2017



Mr B Neilson – Accounting Officer

Date: 19/01/2017

ACCOUNTABILITY REPORT

CORPORATE GOVERNANCE REPORT

Directors' Report

Position of Chief Executive

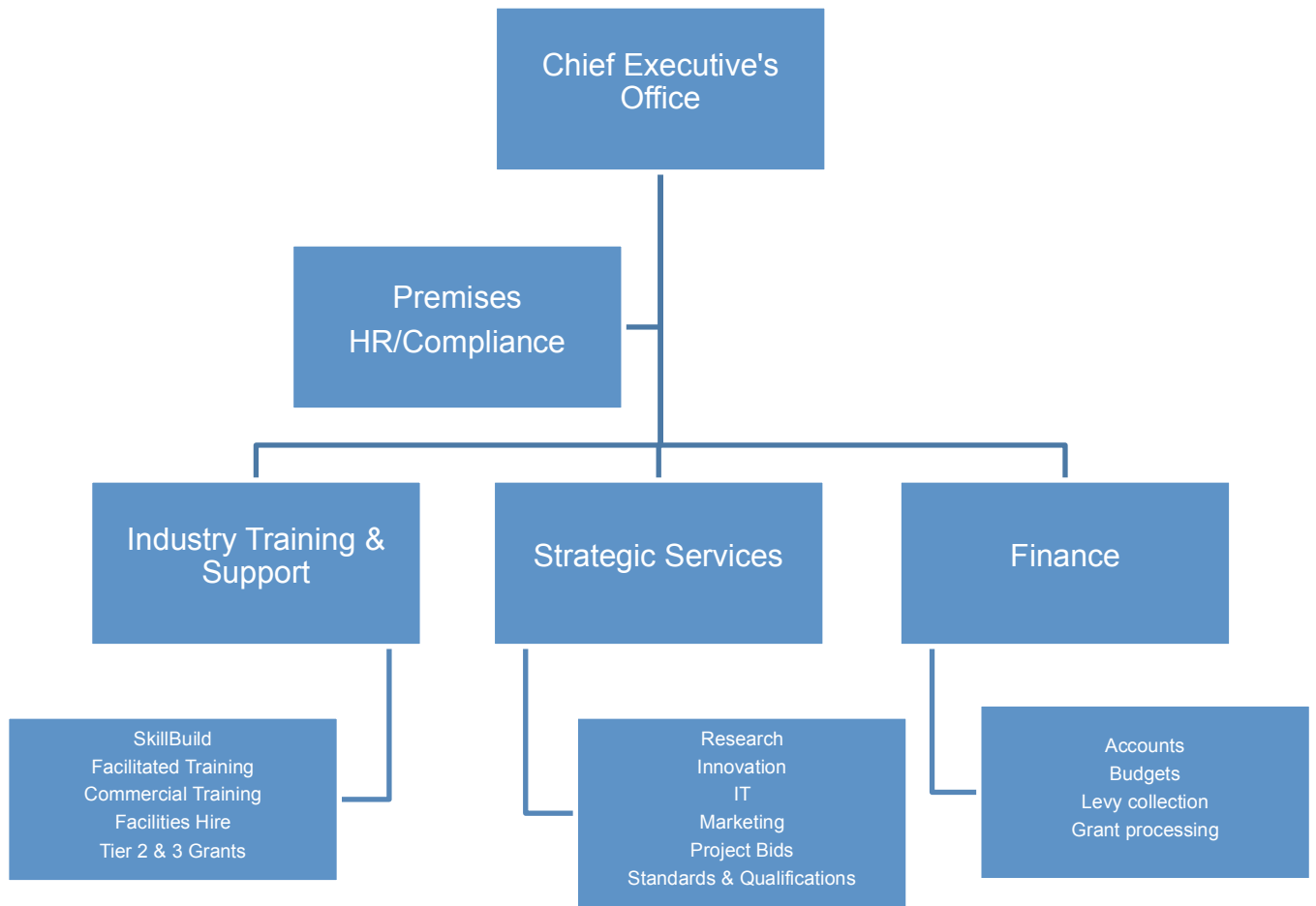
Mr Barry Neilson was Chief Executive and Accounting Officer from 1 September 2015 to 31 August 2016.

Board Members

The Board of CITB NI comprised 12 Members and the Chairman. Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister. Appointments to the Board follow the Office of the Commissioner for Public Appointments guidelines. The Department for the Economy reappointed four Board members for three years from 1 July 2016.

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

ORGANISATIONAL STRUCTURE 2015-2016



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

Personal Data Related Incidents

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

Charitable Donations

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

Payment to Suppliers

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

For the year ended 31 August 2016, 100% (2014-15: 100%) of payments to suppliers were paid within 30 working days. In addition to this the government has said that wherever possible public sector bodies should seek to pay suppliers within 10 working days of receipt of the invoice. In 2015-16 we met this standard for approximately 99.8% of invoices received (2014-15: 99%).

Pensions

CITB NI participates in a defined benefit scheme the assets of which are held in a separate trustee administered fund operated by NILGOSC. CITB NI takes no direct role in the administration of the fund and contributions to this scheme are as recommended by the actuary. Note 11 to the financial statements provides additional information on pensions.

Register of Interests

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

Audit of Financial Statements

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Industrial Training (Northern Ireland) Order 1984. The Comptroller and Auditor General is the head of the Northern Ireland Audit Office and he and his staff are wholly independent of CITB NI.

The audit of the financial statements for 2015-16 resulted in an audit fee of £8,500 which is included in other expenditures within the Statement of Comprehensive Net Expenditure.

Statement on Disclosure of Relevant Audit Information

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

Non Audit Work

The Northern Ireland Audit Office (NIAO) has not undertaken any non-audit work during the financial year ended 31 August 2016.

Important events occurring after the year end

No important events occurred after the year ends which have had any financial impact on the results for the year ending 31 August 2016.

STATEMENT OF BOARD MEMBERS' AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under the Industrial Training (Northern Ireland) Order 1984, the Department for the Economy has directed CITB NI to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CITB NI and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the accounts direction issued by the Department, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that CITB NI will continue in operation.

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

Governance Statement

This Governance Statement for CITB NI reflects the organisations governance, risk and internal control arrangements as they have operated during the 2015-2016 year.

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

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

CITB NI's sponsoring Department had been the Department for Employment and Learning (DEL) until May 2016 when the Department for the Economy (DfE) was established. The new department is responsible for all the functions, which had been provided by DETI and DEL (except for DEL's Employment Service).

The DfE Minister appoints the Board of CITB NI through the Public Appointments Unit.

Governance Framework

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

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

The Board

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

Board members took part in the Annual Board Workshop in December 2015 incorporating discussions around setting the strategic direction of the organisation. As a number of Board members were due to be reappointed in January 2016 Board members were provided with a review of the Board's Five Year Objectives and Risk Management. Membership of the Board's Committees was also reviewed.

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

During the 2015-2016 year, issues considered by the Board included:

- Strategic direction
- Annual budget
- Management Accounting
- Performance targets
- Annual review of Risk Management
- Approval of annual levy rate following industry consultation

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

The Audit and Risk Assurance Committee

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

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

In line with best practice the Committee also arranges to meet with both internal and external auditors during the year without CITB NI staff members being present.

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

Internal Audit

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

During the year ended 31 August 2016 KPMG completed the agreed programme of audits.

As outlined in the table below, all audits carried out resulted in a rating of substantial or satisfactory assurance.

Audit Topic	Assurance Rating
Levy Collection	Substantial
Grant Payment	Substantial
Core Financial	Substantial
Payment to Creditors	Substantial
Fixed Assets	Substantial
Management of Third Party Contractors	Satisfactory
Data Protection	Satisfactory

The overall audit opinion for CITB NI for the year was *substantial*.

Board Review Committee

The Board Review Committee comprises a Chairman and three members appointed by the Board. The Board Review Committee considers the Board's policies in respect of assessment and collection of levy, reviews existing and new grants and makes recommendations to the Board. The Board Review Committee also considers challenges to the scope position and grant appeals by employers.

Following the review of the Board's Committees undertaken at the Board Workshop in November 2014 the remit of the Committee was extended to include a planned and risk assessed review of CITB NI policies and review of both existing and new programmes or projects being undertaken by CITB NI in accordance with the Rules of Delegation and make appropriate recommendations to the Board.

The Committee also reviews CITB NI policies following recommendations from the Audit and Risk Assurance Committee.

Executive Management Team

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

Quarterly Accountability Meeting with DfE

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

Quality of Data

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

- Research carried out by CITB NI
- Meetings with Industry Employer Bodies
- Meetings with industry and stakeholders
- Consultations with industry

- Interrogation of research undertaken by other bodies
- Two annual stakeholder meetings
- 18 annual events with employers in the industry

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

Scope of Responsibility

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

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

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

Review of Effectiveness

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

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

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

Internal groups have also completed reviews of our processes and performance in the areas of Internal Communications, External Communications, Qualification development and Securing Non Levy Income to support activities. A fifth project has focussed on mapping our processes to ensure they are competent and effective.

The Purpose of the System of Internal Control

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

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

The system of internal control has been in place in CITB NI for the year ended 31 August 2016 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

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

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

Staff are made aware of risk management through publication of the Risk Management strategy on the shared drive, through dissemination of information produced from the Executive Management Team and participation in internal Divisional meetings. During 2015-16 the risk management strategy, strategic and operational risk registers were reviewed and updated in line with best practice.

The majority of risks are identified by the Executive Management Team and staff. However over the 2015-2016 year a number of risks were identified by Audit and Risk Assurance Committee and Board members and incorporated into the Risk Registers.

The Risk and Control Framework

Risk management procedures have been in place throughout the year ended 31 August 2016 in addition to the existing regular review and reporting of internal control systems. The Executive Management Team reviewed on a regular basis the risk register and the principal risks were identified, classified and the management of those risks considered in detail on a monthly basis.

The management of risks was reported quarterly to the Audit and Risk Assurance Committee and an annual report on risk management was provided to the Board in January 2016.

Risk Registers

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

The risk registers are updated on a regular basis to:

- Add new risks and remove out of date risks;

- Review risk ratings and rankings; and
- Report the top risks to ensure effective mitigation measures are implemented

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

In addition, two separate backup routines, one of which is removed off site weekly, copy data on both a daily and weekly basis to two separate storage areas in order to safeguard corporate data in the event of server failure or corruption.

Staff are aware of the importance of securely storing paper records and dedicated archive stores are provided.

Reporting

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

Significant Internal Control Issues

There were no significant internal control issues reported during the year ended 31 August 2016.

Assessment of compliance with Corporate Governance Code

The Board is content that during 2015-16 it has complied with the Corporate Governance Code as outlined in Managing Public Money Northern Ireland (MPMNI).

REMUNERATION AND STAFF REPORT

Remuneration Policy

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

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

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

All proposed pay remits are submitted to DfE/DoF for approval in the form of a business case to justify value for money, affordability and consistency with public sector pay policy.

The Department for the Economy work within the public sector pay policy and guidance in determining the remuneration (including any salary and allowances) for Board members including the Chairman.

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

Service Contracts

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

Unless otherwise stated, the officials covered by this report hold appointments, which are for a fixed term period of 3 years, which expire in 2017. The Department for the Economy, which is required to strictly adhere to the public appointments procedures, appoints CITB NI board members. A Code of Conduct for Board Members is in place.

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

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

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

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

Salary and Pension Entitlements (Audited)

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

The position of Chief Executive from 01 September 2015 to 31 August 2016 was held by Barry Neilson a direct employee of CITB NI.

The remuneration payable to the Chief Executive was as follows:

Name	2015-16			Total £'000	2014-15			Total £'000
	Salary £'000	Benefits in kind (nearest £100)	Pension Benefits* (to nearest £1,000)		Salary £'000	Benefits in kind (nearest £100)	Pension Benefits* (to nearest £1,000)	
B Neilson	60-65	0	21	80-85	60-65	0	18	80-85

**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 decreases due to a transfer of pension rights.*

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

The remuneration payable to the Chairman and Board members was as follows:

Official	2015-16		2014-15	
	Salary £'000	Benefits in kind (nearest £100)	Salary £'000	Benefits in kind (nearest £100)
M W Johnston* Appointed 01/08/14	20-25	-	20-25	-
M Nawaz Board member from 01/01/13	0-5	-	0-5	-
B Vaughan * Board member from 01/01/13	0-5	-	0-5	-
C Boyle * Board member from 01/06/13	0-5	-	0-5	-
D Martin Board Member from 01/04/14	0-5	-	0-5	-
D Henry Board Member from 01/04/14	0-5	-	0-5	-
M Bradley * Board member from 01/06/13	0-5	-	0-5	-
M O'Kane Board member from 01/06/13	0-5	-	0-5	-
C Brolly Board member from 01/01/13	0-5	-	0-5	-

S Hassard Board member from 01/04/14	0-5	-	0-5	-
J Pollock Board member from 01/04/14	0-5	-	0-5	-
C Mahon Board member from 01/06/13	0-5	-	0-5	-
C Corken Board member from 01/04/14	0-5	-	0-5	

*** Member of Finance & General Purposes Committee**

	2015-16	2014-15
	£'000	£'000
Band of Highest Paid Director's Total Remuneration	60-65	60-65
Median Total Remuneration	£25,452	£24,902
Ratio	2.49	2.52

Salary

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

Benefits in kind

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

Bonuses

CITB NI does not operate a performance related pay system. Therefore no bonuses were paid to staff during the 2015-16 year. (2014-15: NIL).

Pay Multiples

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 CITB NI in the financial year 2015-16 was £60k to £65k (2014-15: £60k - £65k). This was 2.49 times (2014-15: 2.52 times) the median remuneration of the workforce, which was £25,452 (2013-14: £24,902k).

Total remuneration includes salary and does not include employers' pension contributions and the cash equivalent transfer value of pensions.

Pensions of Senior Officials (Audited) -

Board Members

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

Officials	Accrued pension at pension age as at 31/08/2016 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/08/16	CETV at 31/08/15	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
B Neilson Chief Executive	5-7.5 Plus lump sum of 0-5	0-2.5	87	72	13

The above information was provided by NILGOSC and comprises benefits accrued as at 31 August 2016.

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

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a 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 NILGOSC scheme. 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.

Transfer factors are based on a number of assumptions made by the Government Actuary's Department (GAD), including life expectancy and future cost of living increases. As the cost of

living increases will be applied using a different measure of inflation in the future, the factors used to calculate the CETV are currently under review.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. The actuarial factors used to calculate CETVs changed during the 2015-16 year and, consequently, CETV figures increased even without any further pension accrual. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer. This reflects the increase in CETV effectively funded by the employer. It does not include the increase due to inflation, contributions paid by the employee etc.

STAFF REPORT

Staff numbers and related costs

	Permanently employed staff	Others	2015-16	2014-15
	£	£	£	£
Wages and Salaries	786,960	33,340	820,300	807,969
Social Security Costs	61,170	2,638	63,808	55,965
Other Pension Costs	168,000	0	168,000	191,000
Voluntary Exit Scheme	49,663	0	49,663	-
Total	1,065,793	35,978	1,101,771	1,054,934

Staff Pension Scheme

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

Employees currently pay contributions between 5.5% and 8.5% of their pensionable earnings. The contribution rate payable is dependent on the rate of pay for their job.

As an employer, CITB NI contributes 20% of pensionable pay for each employee who is a member of the NILGOSC scheme.

The total amount of employer contributions paid to NILGOSC during 2015-16 amounted to £154,517

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

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

	Permanently employed staff	Others	2015-16	2014-15
	£	£	£	£
Directly employed	30.5	1.3	31.8	30.5

Staff Composition

CITB NI had 28 members of staff at 31 August 2016.

	Male	Female	Total
Directors	3	1	4
Employees	4	20	24

Sick Absence

Staff absence due to illness was on average 11.4 days per employee for the year ended 31 August 2016 (2014-15: 6.5 days) predominately due to a small number of long term illnesses. The figure for the wider Northern Ireland Civil Service is an average of 11.7 days in 2015-16

Staff Policies

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

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

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

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

Expenditure on Consultancy

There was no expenditure on consultancy during 2015-16. (2014-15: NIL)

Ill-Health Retirement

There were no staff retiring due to ill-health in the 2015-16 year.

Reporting of Civil Service and other compensation schemes- exit packages (The following section is subject to audit)

CITB NI participated in the Northern Ireland voluntary exit scheme in 2015-16.

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)	2 (0)	2 (0)
£25,000 - £50,000	0 (0)	1 (0)	1 (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)
Total Number of exit packages	0 (0)	3 (0)	3 (0)
Total Resource Costs/£	£NIL (£NIL)	£49,663 (£NIL)	£49,663 (NIL)

*Figures in brackets refer to 2014-15

Other departure costs have been paid in accordance with the CITB NI voluntary exit scheme as approved by the Department for the Economy. Resource expenditure in relation to the exit packages was fully funded by HM Treasury.

Assembly Accountability and Audit Report

Regularity of expenditure

(This section is subject to audit)

Losses and Special Payments

Losses Statement	2015-16	2014-15
Total Number of Losses	45	50
Total Value of Losses	£33,605	£30,827

Remote contingent liabilities

(This section is subject to audit)

In addition to contingent liabilities reported within the meaning of IAS37, CITB NI also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. There were no such remote contingent liabilities to report for the 2015-16 year, none for the year ended 31 August 2015.

Long term expenditure trends

CITB NI is a Non Departmental public body which has the statutory powers to raise a levy from construction employers in Northern Ireland. The levy is CITB NI's main source of income representing 84% of the total income in 2015-16. There is no doubt that the economic downturn over a prolonged period has had a significant impact on construction employers in Northern Ireland who have turned to competing for work outside Northern Ireland to keep their business operating. The overall context of reductions to budgets across the public sector as a whole has impacted CITB NI as construction employers have had fewer opportunities to compete for public sector contracts in Northern Ireland.

CITB NI has seen a slight increase in Levy income in 2015-16 and subsequently the budget available to support employers training. The budget for 2016-17 has been set in the context as a similar level of activity as 2015-16 with £2.6 million available in levy income. However as mentioned elsewhere in the annual report CITB NI currently faces budget uncertainties and difficulties with financial planning and forecasting as a result of the implementation of the Apprenticeship Levy.

CITB NI is currently liaising with the Department for the Economy to determine how the introduction of the Apprenticeship Levy in April 2017 will be implemented in Northern Ireland.

It is therefore our consideration that until such information is available that future income/expenditure budgets will be maintained at a similar level to 2015-16.



Mr Barry Neilson

Chief Executive
19 January 2017

CONSTRUCTION INDUSTRY TRAINING BOARD NI

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

I certify that I have audited the financial statements of the Construction Industry Training Board NI for the year ended 31 August 2016 under the Industrial Training (NI) Order 1984. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Assembly Accountability and Audit Report that are described in that report as having been audited.

Respective responsibilities of the Board Members, Accounting Officer and auditor

As explained more fully in the Statement of Board Members and Chief Executive's Responsibilities, the Board members and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Industrial Training (NI) Order 1984. 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 Construction Industry Training Board NI's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Construction Industry Training Board NI; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Construction Industry Training Board NI's affairs as at 31 August 2016 and of the net expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the Industrial Training (NI) Order 1984 and the Department for the Economy directions issued thereunder.

Opinion on other matters

In my opinion:

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

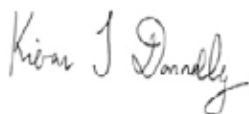
Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



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

25 January 2017

CITB NI

Financial Statements for the year Ended 31 August 2016

CITB NI

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2016

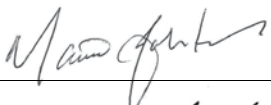
		2015-16	Restated 2014-15
	Note	£	£
Levy income		2,549,243	2,483,653
Project Income		258,350	696,660
Direct Training Course Income		72,577	56,499
Other Income		166,242	100,893
Total operating income	2	3,046,412	3,337,705
Staff Costs	3	(1,101,771)	(1,054,934)
Depreciation	5,6	(88,686)	(83,211)
Other Operating Expenditure	4	(1,838,178)	(2,609,125)
Total operating expenditure		(3,028,635)	(3,747,270)
Net Income/(Expenditure)		17,777	(409,565)
Interest Receivable		3,624	9,642
Pension Financing Charges		(48,000)	(57,000)
Net Expenditure for the year		(26,599)	(456,923)
Other Comprehensive Expenditure			
	Note	2015-16 £	Restated 2014-15 £
Net gain/(loss) on revaluation of Property, Plant & Equipment	4	43,047	(26,762)
Net gain/(loss) on revaluation of Intangible assets	5	37	72
Pension actuarial gains & (losses)	11	(3,553,000)	354,000
Comprehensive net expenditure for the year		(3,536,515)	(129,613)

The notes on pages 48-67 form part of these accounts

CITB NI
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016

		2015-16	Restated 2014-15	Restated 2013-14
		£	£	£
Non-Current Assets:				
Property, Plant and Equipment	5	2,037,264	2,065,908	2,012,418
Intangible Assets	6	27,645	20,741	18,843
<i>Total Non-Current Assets</i>		<u>2,064,909</u>	<u>2,086,649</u>	<u>2,031,261</u>
Current Assets:				
Trade and Other Receivables	8	228,345	426,736	222,914
Cash and Cash Equivalents	9	1,230,552	1,012,575	1,629,930
Total Current Assets		<u>1,458,897</u>	<u>1,439,311</u>	<u>1,852,844</u>
Total Assets		<u>3,523,806</u>	<u>3,525,960</u>	<u>3,884,105</u>
Current Liabilities				
Trade and Other Payables	10	(524,807)	(605,446)	(576,978)
Total Current Liabilities		<u>(524,807)</u>	<u>(605,446)</u>	<u>(576,978)</u>
Total assets less current liabilities		<u>2,998,999</u>	<u>2,920,514</u>	<u>3,307,127</u>
Non-current liabilities				
Pension Liabilities	11	(4,996,401)	(1,381,401)	(1,638,401)
Total non-current liabilities		<u>(4,996,401)</u>	<u>(1,381,401)</u>	<u>(1,638,401)</u>
Total assets less total liabilities		<u>(1,997,402)</u>	<u>1,539,113</u>	<u>1,668,726</u>
Reserves				
SoCNE Reserve		(2,085,254)	1,494,345	1,597,268
Revaluation Reserve		87,852	44,768	71,458
		<u>(1,997,402)</u>	<u>1,539,113</u>	<u>1,668,726</u>

The financial statements on pages 44-67 were approved by the Board on 19/01/17 and were signed on its behalf by:

Signed :  (Chairman)

Signed:  (Chief Executive)

Date: 19/01/2017

The notes on pages 48 - 67 form part of these accounts.

CITB NI

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2016

		2015-16	Restated 2014-15
	Note	£	£
Cash Flows from Operating Activities			
Net Expenditure after interest & financing charges		(26,599)	(456,923)
Depreciation & Amortisation	5, 6	88,686	83,210
(Increase)/Decrease in trade and other receivables	8	198,391	(203,822)
Increase/(Decrease) in trade payables	10	(80,639)	28,468
IAS 19 pension costs*	11	62,000	97,000
Loss on disposal of asset		67	-
Other non-cash adjustments		244	-
Net Cash Inflow/ (Outflow) from Operating Activities		242,150	(452,067)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	5	(14,061)	(151,679)
Purchase of intangible assets	6	(20,112)	(13,608)
Proceeds of disposal of property, plant & equipment		10,000	-
Net Cash Outflow from Investing Activities		(24,173)	(165,287)
Net Financing			
Net increase/(decrease) in cash and cash equivalents in the period	9	217,977	(617,354)
Cash and cash equivalents at the beginning of the period	9	1,012,575	1,629,929
Cash and Cash Equivalents at the end of the period	9	1,230,552	1,012,575

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

The notes on pages 48-67 form part of these accounts.

CITB NI

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 AUGUST 2016**

Note	SoCNE Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 August 2014 (restated)	1,597,268	71,458	1,668,726
Changes in Taxpayers' Equity 2014-2015			
Comprehensive net expenditure for the year	(456,923)	-	(456,923)
Revaluation gains and losses	-	(26,690)	(26,690)
Actuarial gains/(losses)	354,000	-	354,000
Balance at 31 August 2015 (restated)	1,494,345	44,768	1,539,113
Changes in Taxpayers' Equity 2015-2016			
Comprehensive net expenditure for the year	(26,599)	-	(26,599)
Revaluation gains and losses	-	43,084	43,084
Actuarial gains/(losses) on NILGOSC pension scheme	(3,553,000)	-	(3,553,000)
Balance at 31 August 2016	(2,085,254)	87,852	(1,997,402)

The notes on pages 48 – 67 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR END 31 AUGUST 2016

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of CITB NI for the purpose of giving a true and fair view has been selected. The particular policies adopted by CITB NI for the year ended 31 August 2016 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

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

1.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of CITB NI's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

1.2.1 Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying CITB NI's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.3 Income

The main source of income for CITB NI is a statutory levy. Levy is receivable from assessments based on the employment details returned by construction establishments. This may also include an estimate for construction establishments from which employment details have not been received. Other income is recognised in the period to which it relates. Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable. Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

1.4 Employee Benefits including Benefits

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

1.5 Pensions

CITB NI participates in the Northern Ireland Local Government Officer's Superannuation Committee Scheme (The NILGOSC Scheme) for the majority of its employees. The

Scheme is funded by employers participating in the NILGOSC Scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method.

1.5.1 NILGOSC Pension Scheme

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

1.5.2 Measurement of the Scheme Assets

The pension fund asset is accounted for at fair value

1.5.3 Measurement of the Scheme Liabilities

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

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

1.5.4 Recognition of Net Pension Liability

CITB NI has recognised a liability in its Statement of Financial Position for the shortfall in value of its share of the pension fund assets and liabilities. This shortfall is recoverable wholly from increases in future contributions made by CITB NI to the pension fund.

1.6 Expenses

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

1.7 Property, Plant and Equipment

Recognition

Property, plant and equipment is capitalised if:

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

The level of capitalisation as an individual item of property, plant and equipment has been applied for the current year at £500.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

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

Land and buildings used for CITB NI's service or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

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

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

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

Subsequent Expenditure

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

1.8 Intangible assets

Recognition

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

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

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

Measurement

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

1.9 Depreciation, Amortisation and Impairments

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

The bases by which depreciation and amortisation is calculated is as follows:

Property, Plant & Equipment

Premises – Buildings	20 years
Information Technology & Audio Visual	3 & 5 years
Plant & Machinery	4-5 years
Furniture & Fittings	5 years

Intangible Assets

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

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

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

1.10 Leases

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

1.11 Cash and Cash Equivalents

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

1.12 Impending application of newly issued accounting standards not yet effective

CITB NI has not yet applied a new accounting standard and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on CITB NI's financial statements.

1.13 Financial Instruments

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

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

(i) Trade Receivables

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

(ii) Trade Payables

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

1.14 Taxation

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

1.15 Operating Segments

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

1.16 Prior Period Adjustment

In accordance with IAS8, CITB NI has made the necessary adjustments to correct a prior year accounting error. The error has arisen as a result of omitting a portion of the NILGOSC pension liability in relation to unfunded pension liabilities in the 2014-15 financial statements. The CITB NI actuary report had not included this information prior to the 2014-15 report provided by Aon Hewitt.

The effect of the prior year adjustment is as follows:

2014-15

	At 31 Aug 2015 As previously stated	Effect of PYA	At 31 Aug 2015 As restated
£			
Net Expenditure for the year	(463,923)	7,000	(456,923)
NILGOSC Pension Liability	(1,220,401)	(161,000)	(1,381,401)
SoCNE Reserve	1,655,345	(161,000)	1,494,345

2013-14

	At 31 Aug 2014 As previously stated	Effect of PYA	At 31 Aug 2014 As restated
£			
NILGOSC Pension Liability	(1,469,401)	(169,000)	(1,638,401)
SoCNE Reserve	1,766,268	(169,000)	1,597,268

The Statement of Financial Position has been restated for both 2014-15 and 2013-14.

2. Total Operating Income

The total operating income included within the Statement of comprehensive net expenditure is detailed below:

	2015-16	2014-15
	£	£
Levy Income	2,549,243	2,483,653
Project Income		
Qualifying the Existing Workforce	216,145	355,500
Heritage Lottery Funding	41,658	332,888
Historic Scotland	547	362
Leonardo Project	0	7,910
Total project income	258,350	696,660
Other Income		
Voluntary Exit Scheme – DFE Funding	49,663	-
UKCES NI polymers funding	34,266	-
Skillbuild funding from DFE	26,003	44,436
Management & Leadership income	19,250	-
Room hire/rental of premises	18,838	32,684
Miscellaneous income	18,222	23,773
Total other income	166,242	100,893

3. STAFF COSTS

	2015-16	2014-15
	£	£
Wages and Salaries	820,300	807,969
Social Security Costs	63,808	55,965
Other Pension Costs	168,000	191,000
Voluntary Exit Scheme	49,663	-
Total	1,101,771	1,054,934

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

4. OTHER OPERATING COSTS

	2015-16	2014-15
	£	£
Grants to Employers (4.1)	1,176,785	1,311,768
Training Services (4.2)	292,770	813,818
Running Costs (4.3)	272,649	331,192
Direct Training Provision	41,339	67,967
Legal Fees	24,137	44,351
Expenses of Boards & Committees	10,843	14,061
Audit Fee	8,500	8,500
Professional fees	7,022	13,029
Rentals under operating leases	4,133	4,439
	1,838,178	2,609,125

4.1 Grants To Employers	2015-16 £	2014-15 £
Approved Courses / Short Duration	395,295	464,592
NVQ Achievement	193,239	204,436
Health & Safety Training	184,899	202,742
Further/Higher Education	44,674	100,603
Plant Operator Training	56,229	80,710
Improving Business Performance – Working in Partnership (Tier 2)	40,600	33,594
Undergraduate Grant	16,756	39,064
Existing Workforce – (Tier 2)	-	17,390
Apprentice Achievement	65,898	56,725
Training & Assessment Qualifications	3,640	312
Tier 3 Grants	72,201	81,085
Tier 3 Management & Leadership	78,980	-
3 rd Party Certification Management Systems	10,198	13,926
Scaffolding Training	12,903	15,054
Industry Registration Schemes	1,273	1,022
Investors in People	-	513
	1,176,785	1,311,768

4.2 Other Training Services	2015-16 £	2014-15 £
Qualifying Existing Workforce	184,000	247,708
Heritage Lottery Project	24,911	320,624
Skillbuild (NI)	33,472	74,083
Marketing & Advertising	22,089	81,092
Leonardo Project	-	21,518
Historic Scotland	6,315	30,041
Strategic Services	14,819	26,839
(Stakeholder engagement & LMI)		
Research & Development	7,139	9,064
Sustainable Construction	-	2,837
Advisory costs	25	12
	292,770	813,818

4.3 Running Costs

	2015-16	2014-15
	£	£
IT Maintenance & Repair	90,103	92,978
Site Maintenance	42,653	42,390
Insurance	28,028	28,398
Electricity	14,502	20,062
Printing/Stationery	14,307	21,997
Heating	11,928	16,370
Support Staff Travel	19,123	15,794
Staff Training	4,885	24,880
Internal Audit	9,176	12,001
Telephone	8,536	11,092
Postage	7,155	9,534
Facilities Consumables	2,542	3,567
Subscriptions	2,368	2,424
Admin Motor Vehicle Costs	2,713	3,658
Photocopier Expenses	7,002	8,704
Bank Charges	3,233	2,881
Levy Project Costs	3,182	6,242
Recruitment Costs	510	6,705
Disposal of asset	67	-
Water charges	636	1,515
	272,649	331,192

5. PROPERTY PLANT AND EQUIPMENT

	Land £	Buildings £	Information Technology £	Plant & Machinery £	Furniture & Fittings £	Total £
Cost or valuation						
At 01 Sept 2015	1,270,000	660,000	274,142	265,604	189,166	2,658,912
Additions	-	-	13,507	554	-	14,061
Disposals	(10,000)	-	(1,810)	-	-	(11,810)
Adjustments	-	-	10	-	(130)	(120)
Revaluations	(190,000)	200,000	-	-	-	10,000
At 31 August 2016	1,070,000	860,000	285,849	266,158	189,036	2,671,043
Depreciation						
At 01 Sept 2015	-	-	172,293	262,867	157,844	593,004
Charged in year	-	33,047	29,699	1,660	10,946	75,352
Disposals	-	-	(1,742)	-	-	(1,742)
Revaluations	-	(33,047)	-	-	-	(33,047)
Adjustments	-	-	212	-	-	212
At 31 August 2016	-	-	200,462	264,527	168,790	633,779
Carrying amount at 31 August 2016	1,070,000	860,000	85,387	1,631	20,246	2,037,264
Carrying amount at 31 August 2015	1,270,000	660,000	101,849	2,737	31,322	2,065,908
	Land £	Buildings £	Information Technology £	Plant & Machinery £	Furniture & Fittings £	Total £
Cost or valuation						
At 01 Sept 2014	1,270,000	660,000	197,535	266,543	192,181	2,586,259
Additions	-	61,359	86,308	-	4,012	151,679
Disposals	-	-	(9,701)	(939)	(7,027)	(17,667)
Revaluations	-	(61,359)	-	-	-	(61,359)
At 31 August 2015	1,270,000	660,000	274,142	265,604	189,166	2,658,912
Depreciation						
At 01 Sept 2014	-	-	159,687	259,987	154,166	573,840
Charged in year	-	34,597	22,307	3,819	10,705	71,428
Disposals	-	-	(9,701)	(939)	(7,027)	(17,667)
Revaluations	-	(34,597)	-	-	-	(34,597)
At 31 August 2015	-	-	172,293	262,867	157,844	593,004
Carrying amount at 31 August 2015	1,270,000	660,000	101,849	2,737	31,322	2,065,908
Carrying amount at 31 August 2014	1,270,000	660,000	37,848	6,556	38,015	2,012,418

Note: Land and buildings have been included on the basis of professional valuations performed by Land & Property Services who have provided an updated valuation of the land and buildings as at 31 August 2016. The valuation was carried out by a qualified member of the Royal Institution of Chartered Surveyors.

6. INTANGIBLE ASSETS

	IT Software	Website	Software Licences	Total
	£	£	£	£
Cost or valuation				
At 01 September 2015	279,735	79,653	14,379	373,767
Additions	19,032	1,080	-	20,112
Transfers	-	89	-	89
Revaluations	2,728	757	-	3,485
At 31 August 2016	301,495	81,579	14,379	397,453
Amortisation				
At 1 September 2015	272,056	66,591	14,379	353,026
Charged in year	7,888	5,446	-	13,334
Disposals	-	-	-	-
Revaluations	888	2,560	-	3,448
At 31 August 2016	280,832	74,597	14,379	369,808
Carrying amount at 31 August 2016	20,663	6,982	-	27,645
Carrying amount at 31 August 2015	7,679	13,062	-	20,741
	IT Software	Website	Software Licences	Total
	£	£	£	£
Cost or valuation				
At 01 September 2014	270,906	73,300	14,379	358,585
Additions	7,578	6,030	-	13,608
Transfers	-	-	-	-
Revaluations	1,251	323	-	1,574
At 31 August 2015	279,735	79,653	14,379	373,767
Amortisation				
At 1 September 2014	265,574	59,789	14,379	339,742
Charged in year	5,257	6,526	-	11,783
Disposals	-	-	-	-
Revaluations	1,225	277	-	1,502
At 31 August 2015	272,056	66,591	14,379	1,502
Carrying amount at 31 August 2015	7,679	13,062	-	20,741
Carrying amount at 31 August 2014	5,332	13,511	-	18,843

7. FINANCIAL INSTRUMENTS

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

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

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

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

8. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2015-16 £	2014-15 £
Amounts falling due within one year:		
Levy receivables	134,124	167,972
Trade receivables	13,560	20,689
Prepayments and accrued income	80,661	238,075
Total	228,345	426,736

9. CASH AND CASH EQUIVALENTS

	Total £	
Balance at 01 September 2015	1,012,575	
Net change in cash and cash equivalents	217,977	
Balance at 31 August 2016	1,230,552	
	2015-16 £	2014-15 £
The following balances at 31 August were held at:		
Commercial banks and cash in hand	1,230,552	1,012,575
Total	1,230,552	1,012,575

10. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2015-16 £	2014-15 £
Amounts falling due within one year:		
Accrued grants to employers	397,133	476,778
Accruals and deferred income	125,904	126,898
Other payables	1,770	1,770
Total	524,807	605,446

11. PENSION LIABILITY

A revised version of IAS19 came into effect for accounting periods commencing on or after 1 January 2013. The disclosures provided in this section have been calculated under the revised version including the restated previous year's results where applicable.

11.1 Northern Ireland Local Government Officers' Superannuation Committee Scheme

CITB NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for 28 of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at a rate determined by an independent, professionally qualified actuary on the basis of regular valuations.

11. PENSION LIABILITY (Continued)

In April 2009, NILGOSC introduced a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2015-16 are as follows:

Band	FTE Range (£)	Contribution Rate
1	0 – 14,000	5.5%
2	14,001 - 21,300	5.8%
3	21,301 - 35,600	6.5%
4	35,601 – 43,000	6.8%
5	43,001 – 85,000	8.5%
6	more than 85,000	10.5%

In 2015-16 the employer's contribution rate was 20%. (20% in 2014-15)

Contribution rates are due to remain the same in 2016-17.

11.2 ECONOMIC ASSUMPTIONS

The latest actuarial valuation of CITB NI's liabilities took place as at 31 March 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes at 31 August 2016 were:

	2016	2015
Discount Rate	2.0%	3.7%
RPI Inflation	3.1%	3.1%
CPI Inflation	2.0%	2.0%
Pension Increases	2.0%	2.0%
Pension accounts revaluation rate	2.0%	2.0%
Salary Increases	3.5%	3.5%

11. PENSION LIABILITY (Continued)

11.2 MORTALITY ASSUMPTIONS

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

Assumed life expectancy at age 65	31 August 2016	31 August 2015
Males		
Member aged 65 at accounting date	22.3	22.2
Member aged 45 at accounting date	24.5	24.4
Females		
Member aged 65 at accounting date	24.8	24.7
Member aged 45 at accounting date	27.2	27.0

11.3 Reconciliation of funded status to Statement of Financial Position

	2016 £000's	Restated 2015 £000's	Restated 2014 £000's
Fair value of assets	11,326	10,101	9,779
Present value of funded defined benefit obligation	16,147	11,321	11,248
Funded Status	(4,821)	(1,220)	(1,469)
Closing funded defined benefit obligation	(4,821)	(1,220)	(1,469)

11.4 Reconciliation of unfunded status to Statement of Financial Position

	2016 £000's	Restated 2015 £000's	Restated 2014 £000's
Present value of unfunded defined benefit obligation	175	161	169
Closing unfunded defined benefit obligation	(175)	(161)	(169)

11.5 Reconciliation of total status to Statement of Financial Position

	2016 £000's	Restated 2015 £000's	Restated 2014 £000's
Fair value of assets	11,326	10,101	9,779
Present value of funded defined benefit obligation	16,322	11,482	11,417
Funded & Unfunded Status	(4,996)	(1,381)	(1,638)
Closing total defined benefit obligation	(4,996)	(1,381)	(1,638)

11.6 Changes to the present value of defined benefit obligation are as follows:

	2016	Restated 2015	Restated 2014
	£000's	£000's	£000's
Opening defined benefit obligation	11,482	11,417	9,662
Current Service Cost	181	204	166
Interest Expense	420	417	438
Contributions by members	52	50	48
Actuarial (gains)/ losses – Financial Assumptions	4,669	(204)	918
Actuarial (gains)/losses – Demographic Assumptions	0	0	(274)
Actuarial (gains)/losses due to liability experience	(141)	(61)	778
Net benefits paid out	(341)	(341)	(332)
Past service cost (inc, curtailments)	0	0	13
Closing defined benefit obligation	16,322	11,482	11,417

11.7 Changes to the fair value of assets are as follows:

	2016	Restated 2015	Restated 2014
	£000's	£000's	£000's
Opening fair value of assets	10,101	9,779	9,134
Interest income on assets	372	360	417
Remeasurement gains/(losses) on assets	975	89	351
Contributions by the employer	167	164	161
Contributions by employees	52	50	48
Net benefits paid out	(341)	(341)	(332)
Closing fair value of assets	11,326	10,101	9,779

11.8 The actual return on assets is as follows:

	2016	2015
	£000's	£000's
Interest income on assets	372	360
Remeasurement gain on assets	975	89
Actual return on assets	1,347	449

11.9 Asset Allocation

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

	2016 Quoted	2016 Unquoted	2016 Total	2015 Total
Equities	71.9%	0.2%	72.1%	74.1%
Property	12.3%	0.0%	12.3%	12.2%
Government Bonds	5.8%	0.0%	5.8%	5.4%
Corporate Bonds	6.0%	0.0%	6.0%	6.0%
Cash	3.2%	0.0%	3.2%	2.0%
Other	0.0%	0.6%	0.6%	0.3%
Total	99.2%	0.8%	100.0%	100.0%

11.10 Sensitivity Analysis

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 August 2016 and the projected service cost for the year ending 31 August 2017 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits			
Discount rate assumption			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	15,850	16,147	16,450
% change in present value of total obligation	-1.8%		1.9%
Projected service cost (£000's)	322	332	342
Approximate % change in projected service cost	-3.1%		3.2%
Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	16,209	16,147	16,085
% change in present value of total obligation	0.4%		-0.4%
Projected service cost (£000's)	332	332	332
Approximate % change in projected service cost	0.0%		0.0%
Rate of increases to pensions in payment and deferred pension assumptions			
Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£000's)	16,387	16,147	15,911
% change in present value of total obligation	1.5%		-1.5%
Projected service cost (£000's)	342	332	322
Approximate % change in projected service cost	3.2%		-3.1%
Post retirement mortality assumption			
Adjustment to mortality age rating assumption*	-1 year	Base figure	+1 year
Present value of total obligation (£000's)	16,674	16,147	15,625
% change in present value of total obligation	3.3%		-3.2%
Projected service cost (£000's)	345	332	320
Approximate % change in projected service cost	3.8%		-3.8%

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

13. RELATED PARTY TRANSACTIONS

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

In addition a number of Board Members are associated with organisations who have undertaken material transactions with CITB NI during the year.

CITB NI received the following funding from DfE.

	2015-16	2014-15
	£	£
Project Income	231,448	374,509
	231,448	374,509

CITB NI received levy from the following levy payers associated with board members.

	2015-16	2014-15
	£	£
H&J Martin Ltd	51,872	54,837
Henry Brothers (Magherafelt) Ltd	33,112	33,145
Gilbert- Ash Limited	16,508	18,029
Deane Public Works Limited	4,019	4,717
McCormack Site Services (Ire) Ltd	2,645	1,809
Vaughan Developments Limited	1,716	1,130
Lawell Asphalt Co Ltd	0	0
	109,872	113,667

Amounts owed at 31 August 2016 from the above parties amounted to £NIL (2015: £NIL).

13. RELATED PARTY TRANSACTIONS (continued)

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

H&J Martin Ltd – D Martin
Henry Brothers (Magherafelt) Ltd – D Henry
Gilbert- Ash Limited – M Bradley
Deane Public Works Limited – M O’Kane
McCormack Site Services (Ire) Ltd – S Hassard
Vaughan Developments Limited – B Vaughan
Lawell Asphalt Co Ltd – C Boyle

	2015-16 £	2014-15 £
CITB NI received Skillbuild Sponsorship income from the following levy payers associated with board members.		
Gilbert-Ash Limited	1,000	1,000
	1,000	1,000

Amounts owed at 31 August 2016 from the above parties amounted to £NIL (2015: £NIL).

	2015-16 £	2014-15 £
CITB NI paid & accrued grants to the following levy payers & organisations associated with board members.		
Construction Employers Federation	13,356	50,528
Federation of Master Builders	45,000	17,773
H & J Martin Ltd	10,795	23,917
Henry Brothers(Magherafelt) Ltd	13,793	16,391
Gilbert-Ash Limited	8,303	14,415
McCormack Site Services (Ire) Ltd	6,457	1,746
Deane Public Works Limited	2,861	707
	100,565	125,477

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

Construction Employers Federation– D Henry & B Vaughan
 Federation of Masters Builders – M Nawaz
 H & J Martin Ltd – D Martin
 Henry Brothers(Magherafelt) Ltd – D Henry
 Gilbert- Ash Limited –M Bradley
 McCormack Site Services (Ire) Ltd – S Hassard
 Deane Public Works Limited – M O’Kane

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

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

14. EVENTS AFTER THE REPORTING PERIOD

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

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 25 January 2017.

Appendix 1 BSC

Final CITB NI Balanced Scorecard 2015/2016 - (Sept 15 - Aug 16)						Performance	
CSF No	Reported by	Strategy Link	Critical Success Factors	Performance Indicators	12 mth target	YTD	
			Stakeholders and Customers				Comment @ 12 months
1	KP	1,5	Compliance with Government requirements for NDPB's	Internal and external audit compliance awarded satisfactory assurance	Satisfactory Assurance	Substantial Assurance	Target exceeded
2	KH	1,2,4,6	Contribution to DEL skills strategy	Contribute to five themes (Demand, Quality & Relevance, Productivity, Barriers & Engagement)	5	5	
3	KH	1,2,3,5	Increased employer awareness of services	Employer Tracking Survey - Awareness of services	85%	84%	
4	KH	1,2,3,4,6	Employers see our services adding value by improving their performance	Employer Tracking Survey - Importance of CITB NI services. Mean score out of 5 (Very important)	> or = 3.5 out of 5	4.0	
5	BN	All	Delivery of organisational objectives	1. Training Hub, 2. Commercial Activity, 3. Partnerships, 4. Standards	4	4	CE Objectives - Trg Hub (G), Comm Actv (G), Partnerships (G), Standards (G)
			Financial				
6	LL	2	Collection of levy payments due	95% of all invoiced levy income collected	95%	98%	Target exceeded
7	AMcL	1,3	Delivery of budget income targets	Budget income target report	£271,300	£121,600	If measured against re-profiled budget of £147,846 performance would be 82% of target
8	AMcL	1,2,3,5,6	Maximise levy income returned in benefits to industry	80% of budgeted levy income (£2,490,666) is returned in benefits	£1,992,532	£1,783,284	89% of target achieved. Grant budget overspend returned to industry.
9	AMcL	1,2,3,5,6	Maintaining grant spend within budget	Management accounts	£1,245,333	£1,218,124	Reduced liability for work outside NI, additional levy income,
10	AMcL	1,2,3,6	Progress towards balanced budget	Management accounts - (Max deficit £100k)	-£100,000	£26,599	
			Processes				
11	KC	All	Identify training needs of the industry	Completion of training needs research projects	4	4	CSN, ETS, EPC, (Feb 16) S&T (Skills & Training Oct 16)
12	IS	1,2,3,4,6	Setting occupational training standards	Progress the strands relevant to NI, in the Construction Skills Strategy (CSS)	10	10	
13	IM/DC	1,2,3,5	Small employers use services available to them	Percentage of employers who have less than 10 employees and who have benefited from Tier 1 grant or Tier 2/3 training interventions	15%	9.8%	T1 = 298, T2 = 7, T3 = 30 Total = 335
			People/Competence (Learning and Growth)				
14	ED	1,3,4,5,6	Team knowledge and competence	Team competence matrix	70%	76%	Requires review in line with new leadership competencies
15	KP	1,4	Board member participation	Maximum score of 3 (adequate) in each of the four areas in Board member appraisal (Teamworking, Challenge, Constructive relationships, Governance) (Score 3 x 4 = 12 Board members)	144	133	One appraisal incomplete
Strategic Plan Aims							
1. Communication is clear and direct.							
2. CITB-CSNI is the voice for skills and informs Government Policy.							
3. CITB-CSNI is customer focused, flexible, responsive and supportive.							
4. CITB-CSNI is respected and valued by industry, stakeholders and staff.							
5. Qualifications and occupational competencies meet the needs of NI industry.							
6. The industry invests in skills and qualifications to improve safety and profits.							
Traffic light reporting							
Target will not be achieved							
Target on schedule to be achieved							
Target achieved							

APPENDIX 2

BOARD MEMBERSHIP AND ATTENDANCE AT MEETINGS

September 2015 - August 2016

Membership of the Board is determined by the Department for the Economy and through formal appointment by the Minister.

Board Chairman:

M Johnston	7 out of 7
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Employer Representatives:

C Boyle, Lawell Roofing	5 out of 7
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B Vaughan, Vaughan Developments Ltd	6 out of 7
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D Martin, H & J Martin	5 out of 7
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D Henry, Henry Brothers (Magherafelt) Ltd	6 out of 7
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M Nawaz, Federation Master Builders	4 out of 7
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Employee Representatives:

S Hassard, McCormack Site Services	7 out of 7
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M Bradley, Gilbert-Ash NI	6 out of 7
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M O’Kane, Deane Public Works Ltd	6 out of 7
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C Brolly, UCATT	5 out of 7
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J Pollock, Unite the Union	4 out of 7
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Education Representatives:

C Mahon, UUJ	3 out of 7
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C Corken, Belfast Metropolitan College	4 out of 7
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Assessor:

DfE Representative	7 out of 7
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Department of Education	1 out of 7
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CITB NI are working as a partner in ConstructionSkills, the Sector Skills Council for Construction