

The Sports Council for Northern Ireland

Annual Report and Accounts

For the year ended 31 March 2018

**The Sports Council for Northern Ireland
Annual Report and Accounts
For the year ended 31 March 2018**

*Laid before the Northern Ireland Assembly
under Article 7(2)(c) and 8 of the Recreation and Youth Service
(Northern Ireland) Order 1986 by the Department for Communities*

on

3rd March 2020

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PERFORMANCE REPORT

This Performance Report focuses on matters relevant to all users of Financial Statements. Although it is designed to be a self-standing document, much of the information contained in it is simply a summary of information provided in other documents and is therefore cross-referenced as appropriate. The Performance Report has two sections: an ‘Overview’ and a ‘Performance Analysis’.

Overview

The purpose of the ‘Overview’ section of the Performance Report is to give the user a brief summary that provides the lay user with sufficient information to understand the organisation, its purposes, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair’s Foreword, Chief Executive’s Introduction and the Purpose of the Sports Council for Northern Ireland.

Chairman’s Foreword

It gives me great pleasure to introduce the 2017-18 Annual Report for the Sports Council for Northern Ireland (hereafter Sport NI). As we reach the end of the third year of our five-year Corporate Plan, Sport NI remains more committed than ever to developing and enhancing Northern Ireland’s sporting pathways and systems. This focus on sporting pathways is underpinned by the three strategic objectives within the Corporate Plan; Sporting Communities, Sporting Clubs and Sporting Winners, and once again Sport NI staff have been lending their expertise and strategic support, in collaboration with our key delivery partners, to help people at all stages of the pathway enjoy, engage and excel in sport and physical activity.



This work has involved creating more opportunities for people to get active, and delivering programmes and initiatives which are not only promoting a more inclusive and engaging sporting community, but which use sport as a catalyst for positive societal change. Our Every Body Active programme and work in support of the Active Living: No Limits Action Plan are helping to target and engage underrepresented groups such as female participants, participants with a disability and those from areas of high social need. Since the programme’s launch in 2016, our Every Body Active (EBA) coaches have delivered nearly one million participation opportunities within local communities across Northern Ireland, and as the programme continues we see ever more exciting and diverse opportunities become available, from futsal to glow sports. Similarly, in 2017-18 I had the great pleasure of attending the official launch of the 11 District Council Disability Sports Hubs being set-up as part of Active Living: No Limits. The availability of these new equipment hubs in local communities will help to open up many new and accessible opportunities for people living with a disability to get active and enjoy all the benefits of sport – both in terms of physical and mental health. 2017-18 has also seen the continued roll-out of our Defibrillators for Sport initiative with the Department for the Communities, with over 1,000 devices now distributed to sports organisations and community groups. This particular initiative typifies how, working together, we can harness the power of sport, and sports clubs which are at the heart of local communities, to help improve the overall safety and wellbeing of people here in Northern Ireland. With Sport NI now firmly embedded in local councils Community Planning, we look forward to exploring and delivering more such projects in the future.

Turning to the other end of our sporting pathway, the Sport NI Board welcomed the official launch of the Sporting Clubs and Sporting Winners programmes during 2017-18. The strategic investment and expertise of Sport NI staff being provided through these two programmes will enable the organisation to provide real leadership and partnership to governing bodies and other sports partners as we help people to pursue and achieve their sporting ambitions. Our local sports clubs and the sporting workforce who operate our club systems are at the absolute heart of helping people here to have a more meaningful and lifelong involvement in sport. As well as supporting and investing in work to create more clubs members, which has contributed to thousands of new members during the first year of the project, Sport NI staff are also engaging with the sporting workforce, both at local and national level. This included welcoming the 2017 UK Coaching Summit to Northern Ireland in June 2017.

Our club structures and systems provide the foundation for local athletes to develop, thrive and succeed, ensuring Northern Ireland continues to thrive and be recognised as a place where sportspeople excel. 2017-18 provided us with more sporting highlights, including Jonathan Rea's third successive World Superbike title, boxer Ryan Burnett's victory over Zhanat Zhakiyanov in Belfast in October to make him unified bantamweight World champion, and more recently the Ireland rugby team's historic Grand Slam in the Six Nations. These achievements represent the power that sport has to galvanise our communities, to instil a sense of pride and inspire us to continue to pursue success. Through the Sporting Winners programme, we look forward to continuing to support local athletes to win at the highest levels.

Internally, the organisation faced a number of challenges in relation to performance, governance and leadership; decisions taken by the Board during this 2014-15 period materialised as considerable risk in consequent years and will result in a separate Northern Ireland Audit Office report to be published in 2020. The Board is committed to learning from findings of this report and to implementing its recommendations.

In closing, I would like to pay recognition to my fellow Board Members who continue to lend their time, commitment and expertise in the name of promoting and developing sport, and the Sport NI staff for their passion, creativity and leadership in building and enriching our local sporting pathways. The achievements during 2017-18 lend us renewed determination and positivity as we continue to build on our successes and work towards our corporate vision of "Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport".



George Lucas
Chairman
Sports Council for Northern Ireland

Date: 18 February 2020

Chief Executive's Introduction

Sport has the power to enhance lives, improving physical health and mental wellbeing. It can transform and unite communities. It inspires us and acts as a source of pride, both for us as individuals and as a nation.



This passion for sport informs and guides everything that Sport NI does, and the work and successes which have been delivered over the last year by Sport NI and its partners is testament to that. The last twelve months have been momentous, particularly when it comes to female sport. I was thrilled and deeply proud to be among spectators at the National Football Stadium last summer for Northern Ireland's opening match in the UEFA Women's U19 Championships, as well as Ireland's matches during the Women's Rugby World Cup. It was such an incredible moment to see Northern Ireland being a platform for two such prestigious international events showcasing the quality and standard of women's sport, knowing how significant these tournaments would be for new generations of girls inspired to take up sport and emulate their idols. The Rugby World Cup enjoyed record social and digital media engagement inspiring new rugby fans, reflecting the increasing profile of female sport on the world stage.

The promotion and development of female sport remains an organisational priority for Sport NI, both in terms of female participants through our Every Body Active programmes, and the development of female coaches. In addition, we have continued to work with partners on the delivery of the "Women and Girls: Active Fit and Sporty" project to build on the legacy of the incredible summer of women's sport during 2017, which also included the Féile Peil na nÓg. It is crucial that we capitalise on the energy and excitement created over the last twelve months by helping more women and girls get and stay active, not just by creating opportunities but also promoting the leaders who are key to ensuring that female sport continues to grow and thrive here.

There was also much to celebrate during the last year from our female sporting winners, with the Northern Ireland Netball team, cyclist Lydia Boylan and lawn bowlers Catherine Beattie and Megan Wilson all claiming silver medals at their respective European Championships, as well as a bronze for wheelchair basketballer Katie Morrow and the British senior team at their European Championship. It was also brilliant to see our history-making para-skier Kelly Gallagher make a successful comeback from injury to qualify and compete at her third successive Winter Paralympic Games.

There was success also for our para-athletics heroes Jason Smyth and Michael McKillop at the World Championships in London last summer. Both Jason and Michael brought home a pair of gold medals from the tournament, with the successful defence of their respective T13 100m and 200m, and T37 800m and 1500m titles. In addition, we welcomed success for our lawn bowlers at the European Championships, with Mark Wilson and Andy Kyle claiming success in the Men's Pairs, and in the boxing ring with local fighters Kurt Walker and Brendan Irvine taking bronze medals at their European Championships in Ukraine. These sporting achievements are vital in not only continuing to build the profile of Northern Ireland as a place where people excel in sport, but also in inspiring and encouraging those further down our sporting pathways to continue to be involved in sport and pursue their athletic ambitions.

The results also offer much encouragement as we look towards the Gold Coast Commonwealth Games. Sport NI staff have been hard at work in the run-up to the 2018 Games, providing their support and expertise to athletes and coaches as they prepare to compete. This includes the service providers at our Sports Institute to our anti-doping educators and staff working with the sporting community to refine and develop our performance pathways vital to nurturing future generations of sporting talent.

The Commonwealth Games are always a special event for the Northern Ireland as a sporting nation, and I am confident we can look forward to more success for Team NI in Australia.

While it is important and appropriate for us to celebrate the achievements and successes of our athlete population, I am mindful that it is also crucial to recognise the role that our local sporting workforce plays in making sport happen day-in, day-out, at all levels of the sporting pathway. The work of our coaches, officials and volunteers, from grassroots and community level right through to high performance, is at the heart of sport. Unfortunately, because it often happens at the touchline or behind the scenes, it can easily go unnoticed. That's why a personal highlight for me over the last twelve months has been the Sport NI's COV (Coaching, Officiating and Volunteering) Awards, which shone a spotlight on the work individuals and projects are doing across Northern Ireland. Hearing their stories and learning of the impact it is making to athletes, clubs and communities was truly inspiring and humbling.

Sport NI recognises our responsibility to deliver sport within a robust framework of governance, value for money and public accountability. There are some key learnings during this year which the organisation continues to work to address so that we are seen as a trusted and effective leader and we are committed to continuous improvements and organisational growth.

As we look to our sporting heroes to inspire us all, Sport NI is even more cognisant of the role that we have in building quality sporting experiences in NI. We continued our change management programme throughout 2017-18 and in 2018-19 we will continue implementing change to further develop Sport NI as a highly performing team.

We also go into the year 2018-19 with an ever-stronger awareness of the power of sport to bring out the very best in our society and a renewed determination to lend our leadership and expertise to the development of sporting pathways in Northern Ireland.



Antoinette McKeown
Chief Executive
Sports Council for Northern Ireland

Date: 18 February 2020

Purpose of Activities of the Sport NI

Background information

The Sports Council for Northern Ireland (referred to as “Sport NI”) is an executive non-departmental public body sponsored by the Department for Communities. Sport NI was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973 (as amended) with its main objective being the furtherance of sport and physical recreation.

Since 1994 Sport NI has been a Lottery distributor, appointed by the Minister for Digital, Culture, Media and Sport (DCMS). Lottery funds are accounted for separately in Sports Council for Northern Ireland Lottery Account (referred to as Sport NI Lottery Account).

Nature of Business

Sport NI is the statutory body through which public funding for sports in Northern Ireland is channelled.

Principal Functions Related to Grant in Aid Activities

Sport NI’s principal functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986:

- On matters relating to sport and physical recreation, to advise the Department and other Government departments, Education Authority, local Councils and other bodies interested in sport and physical recreation;
- To encourage the provision of facilities for and participation in sport and physical recreation; and
- To assist, subject to Paragraph (4) of the article:
 - In the provision of administrative services, equipment, coaching and instruction;
 - In the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
 - Bodies providing supportive services in connection with sport and physical recreation.

Article 5 of the 1986 Order as amended by the Financial Provisions (NI) Order 1991 provides that the Department may, subject to such conditions as the Department thinks fit, make grants towards the expenses of the Sport NI. These financial statements have been prepared on an accruals basis and show a true and fair view of the state of affairs of Sport NI’s activities at the year end and of its net expenditure, changes in taxpayers’ equity and cash flows for the financial year. They have also been prepared in accordance with Article 7 of the Order and in a form directed by the Department with the approval of the Department of Finance.

2017-18 Grant in Aid Activities

Sport NI is primarily funded by grant in aid from the Department for Communities. The level of funding is agreed with the Department for Communities as part of a rolling funding agreement. This agreement also includes an agreed set of strategic targets as outlined in the business plan. During 2017-18, Sport NI received £10,642,180 (31 March 2017: £13,577,356) in funding. The movement related mainly to the timing of cash payments on grant activity. Grant in Aid funds are accounted for in Sports Council for Northern Ireland Exchequer Account (referred to as Sport NI Exchequer Account).

Future Developments

During 2017-18 Sport NI continued to make investments across the three strategic aims of Sporting Clubs, Sporting Winners and Sporting Communities. It is planned that investments in these themes will continue for the next few years until a new corporate plan is produced.

Key Issues and Risks

Sport NI has an agreed Corporate Plan for 2015-20 which sets out strategic objectives and activities for the period. The corporate plan was developed to ensure the cost of key programmes and activities forecasted would have adequate funds available over the planning period and to avoid any over-commitments in the Lottery Distribution Fund. Sport NI continues to review its budgets to identify efficiencies and provide plans to make savings if requested by Department for Communities.

Decisions taken by Sport NI during the 2014-15 and 2015-16 years resulted in risks materialising in subsequent years that had a significant impact on the reputation and operation of the organisation. These risks as set out below, with the actions taken mitigate their impact on Sport NI detailed in the Governance Statement:

- Dismissal of Chief Executive and related expenditure;
- Review undertaken by Department for Communities' Head of Internal Audit;
- Interim Executive Leadership Team report and Transformation Programme;
- Board Resignations; and
- Delay in the publication of annual report and accounts.

Social & Community Issues

Sport NI supports charitable giving. The staff fund makes charitable donations each year.

Going Concern

The financial statements are produced on the Going Concern basis. Going Concern was re-assessed and approved by the Board at its meeting on the 11 December 2019. Sport NI is not aware of any reason to adopt a different basis.

The Department for Communities commenced a review of all its arms-length bodies, which has not been completed due to the dissolution of the Assembly. Any subsequent decision arising from the review will require approval by the Minister.

Non-Current Assets

The movement on non-current assets is set out in notes 5 and 6 to the financial statements. The carrying amount of assets increased from £6,294,607 in 2016-17 to £6,478,031 in 2017-18. This movement was mainly due to acquisition of assets and a movement on the valuation of Tollymore National Outdoor Centre.

Research and Development

Sport NI has no activities in relation to the research and development of assets.

Interest Rate and Currency Risk

Sport NI has no borrowing, relying on funds drawn down from the Department for Communities for its cash requirements and is therefore not exposed to liquidity risks. It has also no material deposits. As all significant assets and liabilities are determined in Sterling, it is not exposed to material interest rate or currency risk.

Political and Charitable Donations

Sport NI made no such donations during the year (2016-17: NIL).

Payment of Suppliers

Sport NI is committed to the prompt payment of bills for goods and services and aims to process bills within 10 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During 2017-18 Sport NI paid 90% (31 March 2017: 90%) of invoices within 10 working days and 99% (31 March 2017: 100%) of invoices within 30 days.

Pension Fund (Audited Information)

All assets, liabilities and operating costs of Sport NI's pension scheme are recorded in the Sport NI Exchequer Account. The market value of Sport NI's share of the NILGOSC pension scheme's assets (excl. AVCs) at 31 March 2018 was £28.486m (31 March 2017: £26.427m). Sport NI's share of the scheme liabilities was £35.02m (31 March 2017: £32.610m). Sport NI's share of the scheme recorded net pension liabilities at 31 March 2018 was £6.534m (31 March 2017: £6.183m). The remuneration and staff report provide further details on pension liabilities and how they are treated in the accounts.

Accounts and Appointment of Auditors

Sport NI Exchequer accounts are prepared in a form directed by the Department for Communities with the consent of the Department of Finance and in accordance with Article 7 of the Recreation & Youth Service (Northern Ireland) Order 1986.

The financial statements are audited by the Comptroller and Auditor General. Once completed the Department for Communities is responsible for laying the audited accounts before Northern Ireland Assembly.

The fee for the audit of these financial statements is £27,000 (2016-17: £27,000). This cost is included in other operating expenditure, see note 3 in the financial statements. Sport NI did not purchase any non-audit services from its auditor, the Northern Ireland Audit Office, during the year (2016-17: £1,261).

The Comptroller and Auditor General will also publish a separate report on governance issues in Sport NI early in 2020. The Chief Executive, as Accounting Officer, will lead on addressing any issues arising from this report.

Disclosure of Relevant Audit Information

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

Complaints Handling

Sport NI operates a complaints procedure to handle general complaints about our service. Complaints can be made informally by telephone or formally in writing.

Further information on the complaints procedure can be found on the Sport NI website at:
<http://www.sportni.net/sportni/wp-content/uploads/2013/03/SNI-Complaints-Procedure-Aug-16.doc>

Performance Summary

Sport NI's Business Plan for 2017-18 responds to the Management Statement and Financial Memorandum, drawn up by the Department for Communities and sets out the organisation's Key Performance Indicator (KPI) targets for the financial year.

Per the end of year review of the Business Plan, 92% (31 March 2017: 89%) of the 27 KPI's were either achieved or likely to be achieved. Please refer to the Performance Analysis section below for further details.

Performance Analysis

Financial Results

Sport NI's key financial target is to operate within the allocated budget for the year. The results of Sport NI are set out in detail on page 61. The total comprehensive net expenditure for the year was £10,411,264 (31 March 2017: £16,985,729). The reserves at the year-end show a deficit of £2,832,078 (31 March 2017: deficit £3,089,994).

In April 2018, the Board reviewed the implications of further cuts from the Department for Communities. The paper considered potential cuts of 8% per annum on the baseline resource budget for 2017-18 and projected spend over the period 2018 to 2022 and how these expected reductions will be managed.

Review of Activities and Key Performance Indicators (KPIs)

Sport NI's Business Plan for 2017-18 responds to strategic objectives set out in Sport NI's current Corporate Plan and reflects the 13 overarching outcomes, which are linked to Sport NI's strategic objectives. The outcomes are arranged into four main sections, namely Results, Customers/Stakeholders, Internal Processes and Organisational Learning and Growth.

Sport NI's strategic priorities and performance targets are influenced by known factors and uncertainties. A risk management framework is in place to ensure that risk is understood, reported and managed as far as reasonably practicable across the organisation.

The table below provides a summary of the 27 KPI targets using a 'traffic light' rating system showing progress against each Overarching Outcome. Per the end of year review of the Business Plan, 25 (92%) of the 27 KPI's were either achieved or likely to be achieved.

Key:

Green = Target achieved

Amber = Missed by a small margin (<10%)

Red = Missed by a substantial margin (>10%)

Overarching Outcome	Outcome	Key Performance Indicator	Progress Status at Year End
1. Results	1. More people adopting and sustaining a sporting lifestyle.	1. To lead and support the development and delivery of sport at a community level; extending choice and quality sporting opportunities which engage all.	Green
		2. To increase participation in grassroots sport with a target on young people, people with a disability, women and girls, older people and people living in areas of high social need.	Green
	2. More people to develop and reach their sporting goals through a structured environment.	3. To support the sporting workforce to enable sports clubs to develop and deliver quality sporting experiences so that people can enjoy and sustain sporting lifestyles.	Green

		4. To invest in quality sports facilities that engage communities, support achievement of sporting goals and develop future champions.	Green
	3. More Northern Ireland athletes winning at the highest level.	5. To prioritise those sports and athletes who have the potential to achieve success and excel at the Olympic, Paralympic and Commonwealth Games.	Green
		6. To work strategically with sports (including culturally significant sports) to invest our high performance expertise where it is most needed to ensure success.	Amber
2. Customers and Stakeholders	4. Effective Engagement with people, stakeholders and delivery partners	7. To manage and co-ordinate the continued implementation of Sport Matters by: <ul style="list-style-type: none"> i. Facilitating three of Strategy Implementation Groups to engage; ii. Updating (if necessary) and advocating a detailed Action Plan for Implementation 2015-2019; and iii. Monitoring and reporting on progress and achievements. 	Green
		8. To work with and support the Department for Communities to develop a new Northern Ireland Strategy for Sport 2020-2030.	Green
	5. Improved partnership working and engagement with local government through community planning.	9. To have worked with and supported local government, at a strategic and operational level, to implement the 11 District Council Community Plans.	Green
		10. To have agreed protocols and processes with the 11 district councils for Sport Northern Ireland small grants funding that support delivery of the 11 community plans.	Green
	6. Responsive and effective service delivery	11. To have developed a customer focused research and insight framework, specifically designed to support key partners and stakeholders in measuring the impact of their work.	Green
	3. Internal Processes	7. Effective Corporate Governance	12. To have undertaken an assessment of Financial Management within Sport Northern Ireland and developed and implemented an enhancement plan.
13. To enhance governance and compliance through exploiting opportunities provided through Enterprise Shared Services, in particular on-boarding to ITAssist and AccountNI.			Green

		14. To have undertaken a programme of investment evaluations that will inform assurance and stewardship reporting and enhance future investment decisions.	Green
	8. Effective and efficient management of financial resources	15. To continually manage and maximise the budget to ensure strategic objectives and priorities are met while ensuring no overspend and taking timely action to minimise any underspends.	Green
		16. To develop financial forecasts taking account of anticipated budget reductions [5% to 10% per annum] over the next four financial years.	Green
	9. Improved processes and services through a new information management and digital strategies.	17. To have in place and Electronic Document and Records Management System HP ERMS (TRIM) supported by information Management systems and processes which comply with the Lord Chancellor's Code of Good Practice for Information Management.	Green
		18. To develop a plan for the integration of information management systems within Sport Northern Ireland.	Green
	10. Effective and efficient management of human and physical resources.	19. To have developed and implemented a structured approach to tackling performance put in place and measures to address underperformance firmly and fairly applied.	Green
		20. To have attained Investors In People (IIP) accreditation.	Green
		21. To have managed staff absence effectively in line with good practice and Sport NI policy and procedures.	Green
		22. To have undertaken an evaluation of the future business model for Tollymore National Outdoor Centre in accordance with the conditions outlined by DfC-DoF within the agreed Business Case 2017-2021.	Green
4. Organisational learning and growth	11. Effective organizational leadership	23. To have developed and implemented an organisational wide structural review.	Green
		24. To have strengthened leadership and line management capability by providing training and support from the Institute of Leadership and Management.	Red

	12. A Skilled and motivated workforce	25. To have implemented the recommendations of the Culture Change project identified as part of Sport Northern Ireland's Transformation Programme.	Green
	13. Effective organizational health and safety	26. To have developed and implemented a Workplace Wellbeing Charter for staff within Sport Northern Ireland	Green
		27. To achieve improved performance in workplace health and safety.	Green

The amber rating for KPI 6 reflected that overall, the progress against this KPI was a little less than originally anticipated. A number of these sports (IFA, Ulster Branch of the IRFU, UGAA, and Cricket Ireland) chose to collectively challenge decisions made regarding investment into the Sporting Winners Programme. This decision meant that these sports did not receive financial investment from that Programme. A significant period of time was required to manage the challenges made and as a result the sports were initially slow to engage with SNI's offer to invest high performance expertise. By the end of the year however, progress had been made with 3 of these sports, with the fourth not taking up the opportunity to engage before the end of year. In addition work was progressed with Ulster Branch of the IRFU, UGAA, and Cricket Ireland in terms of their club environments and also with the Motorsport Taskforce.

KPI 24 was given a red rating as a decision was taken by the Executive Team, due to significant personnel changes that had occurred in both the Executive and Management Teams, to revisit the procurement of the training at a later date to ensure successful delivery of the programme and value for money.

The following narrative provides detail of the significant work of the Sport NI during 2017-18:

1.0 Participation and Facilities

1.1 Every Body Active 2020 (Strand 4: Outreach, Capacity Building & Small Grants)

Every Body Active 2020 Strand 4 aims to support projects which contribute to addressing continued under-representation in sport and physical activity amongst targeted groups, such as women and girls, people with a disability and people living in areas of greatest need.

Aligned to the Outcomes established in each of the 11 District Council Community Plans, the investment of £693,000 channelled through the 11 District Councils provided grass roots sports clubs and community associations with funding to deliver local sports and physical activity projects.

The total funding available under the programme included a £100,000 investment, in support of the Active Living: No Limits 2016-21 Action Plan, to help people with disabilities lead active and healthy lifestyles through sport and physical activity.

1.2 Women & Girls: Active, Fit & Sporty

In 2017-18, the ‘Active, Fit & Sporty’ programme, co-ordinated through Sport NI and delivered through investments in the Northern Ireland Sports Forum (Female Sports Forum), Ulster University, Disability Sport NI, Spotted, Youth Sport Trust and WISPA (Women in Sport and Physical Activity), provided a wide range of opportunities aligned to the pillars identified in the Women & Girls: Active, Fit & Sporty strategic framework:

- Leadership;
- Media;
- Role Models; and
- Research & Evaluation.

Additional in-year (2017-18) ring-fenced funding allocated by the Department for Communities delivered activities through investments in Northern Ireland Sports Forum (Female Sports Forum), Irish Football Association Foundation, Ulster Gaelic Games Association and Ulster Rugby. This investment was intended to contribute to a legacy from the hosting of the Women’s Rugby World Cup, UEFA U19’s Women’s football tournament and the Féile Peil na nÓg in Fermanagh.

Notable outputs included more than 8,000 participants engaged across both strands (core & legacy projects) of the Active, Fit & Sporty programme and more than 2,750 learning & volunteer training opportunities realised. Projects also reported the following benefits:

- Improved, strengthened and extended partnerships and collaborative working;
- Participant co-design shaping future provision;
- Recruitment & retention of volunteers emerging as a key consideration for sustainability with referee development programmes in GAA and IFA; and
- A focus on ‘life-course’ sports development from pre/post-natal, early years, primary and post primary school, university, and older people in a variety of different settings including club, community, social economy and district council facility provision.

Sport NI supported the key delivery partners to explore opportunities to sustain this work in future years, including development of bids to a range of other funding partners such as Big Lottery Fund, the ‘Tampon Tax’ and the ‘Sugar Tax’. The programme delivery organisations have also worked to maximise alternative sources of funding including private sponsorship for example O’Neills, Deloitte and Podium High Performance Leadership.

1.3 Active Living: No Limits 2021

Sport NI has continued to champion and proactively support the implementation of the strategic framework for disability sport in Northern Ireland – ‘Active Living: No Limits 2021’. The framework was previously developed and launched in 2016 by the Minister for Communities and has cross-departmental endorsement.

Sport NI has worked closely with a range of stakeholders to extend and improve opportunities for people with a disability to get and stay involved in sport and physical recreation. In 2017-18 this included the provision of accessible platforms to swimming pools and the creation of a network of disability sport equipment hubs in partnership with district councils. Sport NI continued to work closely with partner organisations such as Disability Sport Northern Ireland and Special Olympics Ireland, supporting ongoing work to strengthen and develop locally available inclusive sports clubs and recruit, train and retain a vibrant volunteer base – critical for coaching, event organisation and management, governance and fundraising.

Sport NI continues to prioritise engagement with and support for the disability sport sector in the development of sports participation and facility planning. Sport NI is a full member of the Active Living: No Limits Forum, bringing together partners from across the public, voluntary and community sport sectors.

1.4 Defibrillators for Sport

In 2017-18, SNI continued to work closely with the Northern Ireland Ambulance Service, Public Health Agency, Department for Communities and Department of Health, to contribute to the implementation of aspects of the Northern Ireland Community Resuscitation Strategy (2014).

Approximately 1,400 people annually suffer an out-of-hospital cardiac arrest. Fewer than 10% survive to be discharged from hospital. Early cardiopulmonary resuscitation (CPR) and a defibrillator shock are vital to a person's chances of surviving a cardiac arrest. Survival rates are higher in places where more people are trained to perform CPR and are willing to intervene.

In 2017-18, as part of its continued commitment to contribute to the implementation of Community Resuscitation Strategy, Sport NI has:

- Raised awareness of CPR and the 'chain of survival' among sports clubs and community organisations throughout Northern Ireland through a sustained programme of engagement around the Community Resuscitation Strategy;
- Contributed to the NI Ambulance Service's work to map AED provision across NI;
- Enhanced access to and availability of AEDs at public and sports venues across Northern Ireland; and
- Trained a cohort of sports volunteers in the management and use of AEDs and the Chain of Survival (inc. CPR).

By March 2018, Sport NI, with support from the Department for Communities, had invested approx. £900,000 (exc. staff resources), deployed 1,200 AEDs across Northern Ireland and provided training to 950 sports volunteers.

1.5 Safety at Sport Grounds

The Safety at Sports Grounds Order (NI) 2006 provides for a safety certification scheme for larger sports grounds and non-temporary spectator stands. The Scheme is administered and enforced by Councils. The Department for Communities delegates to Sport NI responsibility for providing advice and guidance to interested parties and monitoring implementation of the certification scheme. In July 2016, DfC agreed a new Framework for the delivery of these responsibilities by Sport NI. In March 2017 options for delivery of that Framework were presented to the Board, and to the Department – the preferred option was delivery by the Sports Grounds Safety Authority under the terms of a Service Level Agreement (SLA) which was signed in November 2018.

Sport NI is continuing to work with SGSA on the implementation of the Service Level Agreement. SGSA are meeting with stakeholders (clubs, councils etc.) and visiting grounds to familiarise themselves with the safety sector in Northern Ireland.

1.6 Department for Communities Exchequer projects

Sport NI distributed £2,113,000 of exchequer capital funding in 2017-18. This was across a range of projects including

1) Collaborative working with the Education Authority to open school sports facilities to the community.

This investment put into practice the Your School Your Club guide which was published by Sport NI in 2014 and supported by the then Department of Culture, Arts and Leisure and Department of Education Ministers. Your School Your Club promotes community use of school sports facilities. Projects which received investment in include Parkhall Integrated College in Antrim where floodlights were installed at the hockey pitch to facilitate club use after school hours. In St Mary's PS Pomeroy a grass pitch was converted to 3G with floodlights to increase school and community use.

2) Maintenance equipment for Sport NI funded pitches

In December 2017, Sport NI launched a call for applications for Pitch Maintenance Programme for funds up to and including £4,950. The purpose of this investment programme was to provide routine pitch maintenance equipment for previously funded sports facilities to prolong the useful life of existing facilities to ensure participation opportunities are provided and increasing the value for money from Sport NI's historical investment. Sport NI invested in 36 projects to a value of £146,000. Examples of successful projects include Ballinderry Shamrocks GAC, Bready Cricket Club, Castlewellan FC and Colin Glen Trust

3) Accessibility equipment for swimming pools

Sport NI developed a business case to assess the justification for investing public monies in improving access for people with disabilities to aquatic activities at the five 'disability sports hub' sites which also have swimming pools. This work had been initiated by the "Active Living: No Limits" forum. The actual capital works consisted of installing a lift system to allow people to access the water.

All five swimming pools were situated in leisure centres which have already achieved or were working towards achieving Inclusive Sports Facility (ISF) accreditation. (The Inclusive Sports Facility (ISF) scheme is an accreditation scheme developed by Disability Sport NI to encourage and recognise excellence in the design and management of sports facilities).

The five swimming pools which had a system installed were:

- Aurora Aquatic and Leisure Centre, Bangor;
- Lakeland Forum, Fermanagh;
- Newry Leisure Centre, Newry;
- Foyle Arena, Derry and
- Omagh Leisure Complex, Omagh

1.7 Tollymore National Outdoor Centre

Tollymore National Outdoor Centre (TNOC) continues to drive forward the delivery of skills and leadership programmes during 2017-18. During the year, a Project Board established to review the business model for TNOC continued to meet and offer advice to Sport NI, specifically to meet the requirements of DoF conditional approval of the 3 year business case (2017/18-2019/20). These conditions were:

1. Sport NI should undertake further work to explore the option of a private sector operator purchasing the Centre; and
2. Sport NI to undertake a review of the first year performance of the current solution (of TNOC by the 31 December 2017 - this date was subsequently extended to 31 March 2018).

As a result of this work, the centre's participant throughput which was 54% above target at 10,344 participants. 99% of those participants who returned a survey rated the overall service as good or excellent.

TNOC also worked closely with the participation team in Sport NI's Defibrillators for Sport initiative, providing training to club and community organisation representatives who had received the defibrillators. TNOC continues to provide support to relevant National Governing Bodies and delivers core programmes and training courses in mountaineering and rock climbing, canoe-sport, first aid, orienteering and mountain biking and continues to look for opportunities to target new customers and markets.

TNOC were also successfully re-accredited for Adventure Mark, which is a UK wide quality assurance scheme for Adventure Sports providers.

2.0 Performance

2.1 Sports Institute

Sport NI's Sports Institute provides direct support in line with the Sporting Winners strategic objective: 'To help more Northern Ireland athletes win at the highest level'.

Staff deliver high performance sport expertise to athletes, coaches and sports through provision of services covering the range of science and medicine disciplines that lay the foundation for sports performance at the highest level. In addition, staff assist sports to build capability in their own high performance systems, coaching and use of services. In 2017-18 capability work was completed specifically with the IFA and Ulster GAA.

The work of the Sports Institute involves collaboration with external organisations within Ireland, UK and the wider international networks associated with high performance sport. These collaborations involve exchange of knowledge and development of innovative practices that focus on improving performance.

Some of the outcomes associated with the work of the Institute include:

- Better understanding of sports performance leading to more informed coaching decisions;
- Athletes realising their sports potential through coaches using knowledge of the physiological determinants of performance and the current performance 'gap' to target gains;

- Improved technical and physical development due to increased ability of athletes to train without injury or illness;
- Strong and robust athletes who are capable of training at the levels required for success at major competitions;
- Behaviour changes in athletes in terms of nutrition habits, better hydration, fuelling and recovery leading to improved body composition and successful making of weight;
- Athletes with coping skills engrained in order to sustain consistent, positive behaviour during performance; and
- Effective and efficient use of resources to improve the competitiveness of Northern Ireland's best athletes.

2017-18 brought a series of performance highlights, including:

- 12 medals won at the highest level (table below) by athletes receiving services; and
- 14 Top 8 places and 13 Top 16 places achieved across 7 sports – boxing, boccia, cycling, hockey, para snow sport, para triathlon and swimming.

Sport	Athlete / Team	Event	Medal
Para athletics	Jason Smyth	World Para Championship	2 x Gold
Para athletics	Michael McKillop	World Para Championship	2 x Gold
Bowls	Mark Wilson	European Championships	Silver
Bowls	Andy Kyle	European Championships	Silver
Bowls	Catherine Beattie / Megan Wilson	European Championships	Silver
Cycling	Lydia Boylan	European Championships	Silver
Netball	NI Netball Squad	European Championships	Silver
Boxing	Kurt Walker	European Championships	Bronze
Boxing	Brendan Irvine	European Championships	Bronze
Wheel Chair Basketball;	Katie Morrow	European Para Championships	Bronze

2.2 Coaching, Officiating & Volunteering Awards 2017

In 2017 Sport NI's annual Coaching Awards expanded to recognise the role of officials and volunteers to align with investment in the wider sporting workforce through Sporting Clubs 2017-21 and reflect feedback received from governing bodies over the past 3 years of the Coaching Awards.

The Sport NI Coaches, Officials and Volunteers Awards provide recognition for the sporting workforce operating at local, regional and national level; raise the profile of the sporting workforce throughout the country; and provide a pathway for recognition from local to UK level.

119 nominations were received across the 13 categories with a total of 29 sports represented. Once again, Sport NI recognised and profiled all nominated coaches and projects. This included a signed letter from the Sport NI Chief Executive; all nominee names appeared on the Sport NI website; photo and nomination exert within a short PowToon video on the Sport NI YouTube page.

Category winners were presented with their engraved glass trophy in their own environment throughout the months of October, November and December 2017. They were additionally recognised through social media, nomination (where appropriate) to the final shortlisting stages of the UK Coaching Awards 2017, and attendance at the Celebration Evening in February 2018.

The evening built on the foundations created at the event in 2017 and once again included those clubs that had achieved Clubmark NI accreditation throughout the past 12 months. Special Guest Speaker for the event was Joy Neville, World Rugby Referee of the Year, and she participated in very successful question and answer session, having shortly before the event become the first female to officiate a Pro14 match in the UK.

2.3 Anti-Doping

The focus of this year's Pure Winner programme was co-ordinated, risk-based education for all Team NI members preparing for the Gold Coast 2018 Commonwealth Games. All long-listed and selected athletes undertook Clean Sport workshops tailored for their sport and personal major games experience. All coaches completed Coach Clean qualifications and all athlete-support personnel were certified as Clean Sport Advisors. Clean Games education was also delivered to every Team member and the dedication to and promotion of Clean Sport was evident with 81% of attendees rating the workshops as "excellent" and 97% of attendees gaining new knowledge from the delivery of the Pure Winner Major Games programme.

Sport NI continues to support national governing bodies of sport to fulfil their responsibilities under the World Anti-Doping Code and to promote clean sport. A number of sports have been supported to develop a tailored education programme using the Pure Winner Curriculum, to ensure recommended education content is delivered at each level of the Performance Pathway. A dedicated support network, continuous professional development and mentoring was provided for Sport NI National Trainers and Pure Winner Educators who are deployed across Northern Ireland sporting communities, helping to build public confidence in clean sport.

2.4 School Games

Once again, Sport NI supported local elite school-age gain valuable multi-games competitive experience through the annual School Games. Team Northern Ireland put in a winning performance at the 2017 Games, returning home after winning 12 gold medals, 9 silver medals and 11 bronze medals. Among Team NI's medal success stories were swimmers Barry McClements, who took a trio of golds in the Boys 400m Freestyle, 100m Freestyle and 100m Backstroke, and Nicole Turner, who won in the Girls 100m Breaststroke and 100m Freestyle. There were also gold medals for the Girls Rugby Sevens side, judokas Joshua Green (Under 70kg Boys) and Callum Nash (Under 66kg Boys), and Wheelchair Tennis player Ross Gourley (in the Boys Singles).

Prior to the games, some NI athletes and coaches came together as a Team for the first time at an orientation event organised by the Sport NI in partnership with Ulster University School of Sport.

Attendees took part in a series of team building events with their fellow athletes, and also undertook an anti-doping workshop delivered by Sport NI's 'Pure Winner' education officers. The packed day also included an athlete Q&A event with local elite athletes including para-badminton champion Niall McVeigh, Northern Ireland netballer Noleen Lennon and wheelchair basketball player James McSorley discussing their careers and sporting experiences.

2.5 Performance Pathway & People Development

Sport NI's Performance Pathway & People Development Team hosted their first Performance Pathway Conference at the Waterfront, Belfast on 14 March 2018. With the Theme of "*Preparing for World Class- Balancing the Art and Science of Developing Success*" the main aim was to align best practice across the Performance Pathway with particular emphasis on how best to prepare athletes for transition from Home Nation pathways onto the World Class Pathway. It also showcased some of the Development Curriculum Projects that have taken place in six of the GB World Class Programmes, and the bespoke curricula that harness tacit knowledge, experiential learning and scientific evidence to inform the development of future generations of Athletes.

Keynote Speakers on the day included Malcolm Brown, recently retired coach to triathletes Alistair and Jonathan Brownlee, Kate Baker (Head of the UK Performance Pathway Team) and her colleague Alex Stacey (Performance Pathway Education Lead), alongside Heather Williams, (former British Canoeing - Sprint Canoe Performance Manager)

The conference was well attended by a broad spectrum of coaches, practitioner, leaders and educators from across the Northern Ireland Performance Pathway. The Performance Pathway Conference was a chance for the newly established Performance Pathway & People Development Team commence planned work for the future, which will include bringing some of these new pathways curricula to life on the ground with coaches and practitioners who are developing the next generation of medal winning athletes, as well as embedding some Development Curriculum Projects within sports.

2.6 North West Project

In 2017-18 the North West programme facilitated 206 Learning Opportunities across the region for coaches, volunteers and officials. One of the programme principles is to implement national developments at a local level. With this in mind, all programme delivery has been aligned to the Club and Workforce objectives to encourage coherence with Sport NI priorities. The North West Network has continued to create a shared forum for partnership and collaborations within National Governing Bodies & Local Authorities. The Network has ensured that the programme has stayed connected with the needs of the sporting fraternity in the North West Region. The Network is currently shared by six National Governing Bodies, two Local Authorities, a Local Sports Partnership and Sport NI.

Throughout the year a number of programmes, events and interventions have been delivered to support the clubs and wider sporting workforce in the region. These include two North West Network sessions, a Regional Coaching Forum, a Coach Masterclass Series, a Sporting Officials Masterclass and Club Development Workshops. The North West programme has also contributed to national initiatives such as Clubmark, Club & Workforce Conference and the Coaching, Officiating and Volunteering Awards, with one of the winners coming from the North West region.

2.7 Governance and Leadership in Respect of Governing Bodies of Sport

Throughout 2017-18 Sport NI has supported governing bodies of sport to address governance issues, prepare for changes to legislation, and improve their governance standards through a range of interventions. These are summarised below:

- A Governance Network event was held in December 2017 covering two key themes:
 - Developing commercial activities
 - UK sports Legal Panel launch.
- In March 2018, Sport NI facilitated the Leadership Alumni two day event at Tollymore National Outdoor Centre.
- Further information sessions were provided on GDPR, in partnership with the Information Commissioners Office and British Gymnastics. Several working partnerships were maintained, including with Chief Officers' 3rd Sector (CO3), Northern Ireland Council for Voluntary Action (NICVA), Supporting Communities NI and Volunteer Now.
- Sport NI also sat on the Developing Governance Group, and delivered a roadshow on the revised Code of Good Governance in partnership with the Charity Commission NI.
- At a UK level, Sport NI is a member of the UK Governance Group and UK Leadership Forum, both of which provide valuable opportunities to share ideas and issues as well as forecast the governance and leadership challenges to sports bodies in the future. Sport NI is also represented on the UK Sport NIs Recognition Panel, and in the last 12 months has had a significant input into a review of the recognition policy.
- Six Club Leaders sessions were also delivered during the year, covering the topics of Good Governance and Organisation Structures.

Sustainability Report

Sport NI is committed to practices and procedures that minimise impacts on the environment and has continued to make good progress in becoming a more sustainable organisation while still focusing on “making sport happen.” For example, Sport NI’s Procurement Policy seeks to implement Department of Finance procurement guidance in integrating social considerations into contracts where appropriate.

Sport NI strategy encourages its staff to ensure that;

- Energy usage is more efficient;
- Business travel where possible continues to be reduced through greater use of video/teleconferencing;
- Waste management is controlled through the practice of reduce, reuse, repair and recycle; and
- Biodiversity remains an element in planning for sports facilities and developments.

Ethical Practices

Sport NI is committed to ensuring that its’ policies, procedures and services which it receives from third parties respect human rights, promote equality and manage the risk of fraud and corruption. Sport NI utilises Central Procurement Directorate on procurement which has policies in place to assist with ethical practices.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 18 February 2020

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

Board Members of Sport NI and Members of its Committees

The Board of Sport NI consists of a Chair and Vice-Chair and other Members appointed by the Minister for Communities, after a selection and recruitment process that is carried out by the Department for Communities.

The following persons served as members during the financial year 2017-18.

Mr. G Lucas – (Chair)*
Mr. J Colville – (Vice-Chair)*
Mr. B Delaney*
Dr. C O'Mullan*
Ms. W Erskine
Mr. K Ferguson
Mr. K Harding
Ms. C McStravick (Resigned 1 February 2018)
Ms. A Bingham (Completed Term March 2018)
Mr. R Bullick
Ms. J Bryson
Mr. D Petticrew
Ms. S Weir

* Mr. B Delaney and Dr. C O'Mullan were appointed to the positions of Chair and Vice-Chair until Mr. G Lucas and Mr. J Colville were appointed on 1 February 2017.

Board Directorships or Other Interests

Note 16 within the financial statements details any interests held by Sport NI Board Members. The register of interests can be seen at <http://www.sportni.net/about-us/register-of-interests>.

Audit and Risk Assurance Committee

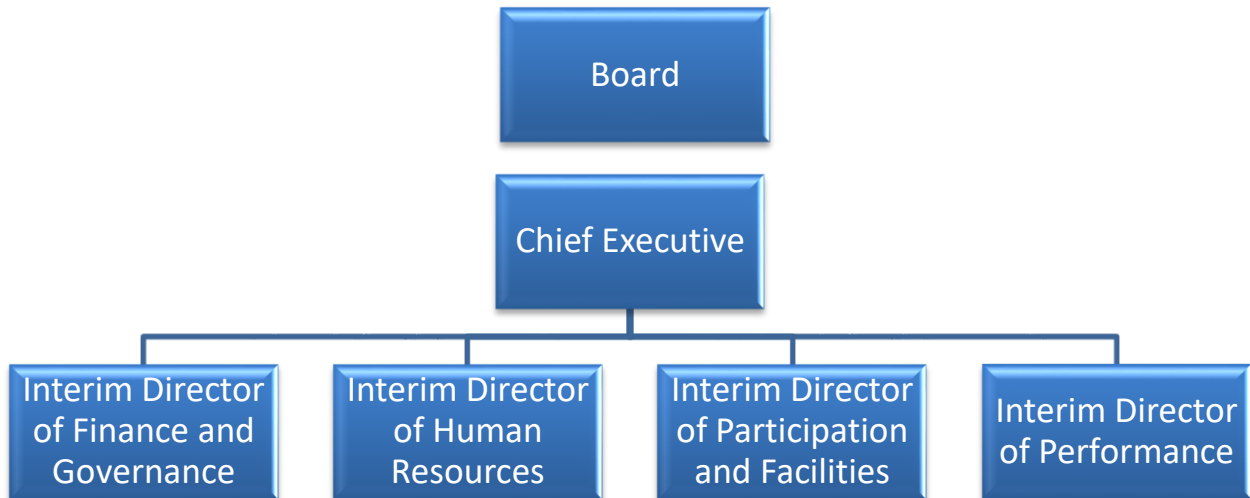
The members of the Committee during 2017-18 were:

Mr. J Colville (Appointed June 2017)
Mr. D Petticrew (Appointed June 2017)
Mr. K Ferguson (Appointed June 2017)
Ms. C O'Mullan (Appointed June 2017)
Mr. G Troughton (Co-Opted June 2017 for 3 months)
Mr. M Matthews (Appointed November 2017)
Mr. K Harding
Ms. C McStravick (Resigned July 2017)
Mrs. K Godfrey (Resigned July 2017)
Mr. D Malcolm (Resigned July 2017)
Ms. A Bingham (Resigned July 2017)

Chief Executive

The Chief Executive, Antoinette McKeown, is the Accounting Officer and leads Sport NI and is supported by four executive directors heading each of the departments within the organisation. Further information on the Chief Executive is contained within the Governance Statement.

Organisation Structure



The organisational structure, systems and skills make-up of the Sport NI are designed to maximise delivery, improve responsiveness, and ensure resources are tailored and matched to meet the needs of the Sport NI stakeholders.

In retaining the requisite skills mix, the Sport NI has in place a comprehensive skills and training analysis framework, through the performance appraisal process, which serves to identify skills and experience needs, fulfil these and match these with the requirements of the organisation in the delivery of its strategic priorities.

Work on organisational restructuring due to begin under the “Pitch Perfect” Transformation Programme was impacted in 2015-16 due to the absence of the Chief Executive. During 2016 a business case was submitted to the Department for Communities to address significant findings from a range of Interim Executive Leadership reports highlighting gaps in Sport Councils governance, leadership, culture, policies, systems and processes. A transformation programme was led by the Interim Chief Executive however this did not include restructuring. Work on the restructuring is due to resume in 2019.

Personal Data Related Incidents

Please refer to page 34 of the Governance Statement for details.

Statement of the Council's and Accounting Officer's Responsibilities

Under the Recreation & Youth Service (Northern Ireland) Order 1986, the Department for Communities has directed Sport NI to prepare for each financial year a statement of accounts in the form and on the basis as 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 the Sport NI and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, 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 for Communities, 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 accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for the Department for Communities has appointed the Chief Executive of Sport NI as the Accounting Officer for Sport 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 Sport NI's assets are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum, which is issued by the Department of Finance and published in Managing Public Money Northern Ireland.

Governance Statement

1. Introduction

Sport NI is required to include a Governance Statement with its annual accounts. The purpose of the Governance Statement is to explain what arrangements Sport NI has in place to identify, evaluate and manage the risks to the achievement of objectives. Sport NI's Governance Statement is informed by the corporate risk register, bi-annual and annual assurance statements to the Department, management reports and findings from third party reviews.

2. Compliance and Structure of Governance

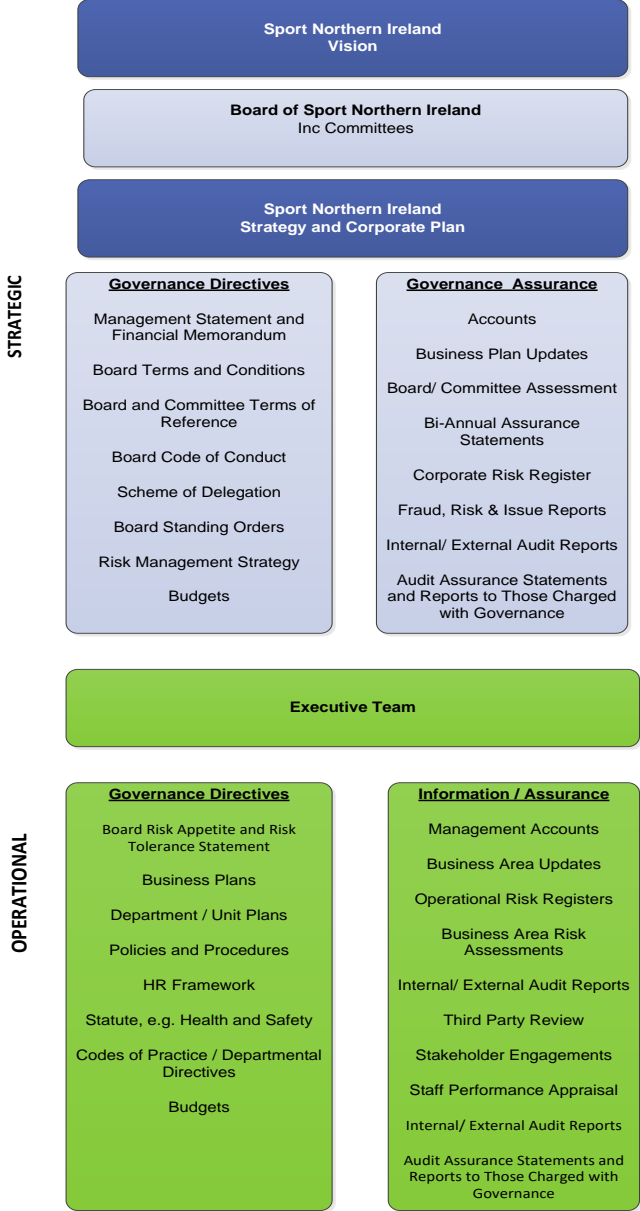
The governance framework comprises the systems, processes, culture and values, by which Sport NI is directed and controlled and the activities through which it accounts to and engages with the public and other stakeholders. It enables Sport NI to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and value for money services and facilities.

The system of internal control is a significant part of that Sport NI framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and 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 Sport NI's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Sport NI is publicly accountable to the Department for Communities and its Minister for its performance and the use of its resources.

Sport NI's governance framework is predicated on the provisions laid out within its Management Statement and Financial Memorandum with its parent Department, the Department for Communities and 'Corporate Governance in Central Government Departments : Code of Good Practice NI 2013' ("the 2013 Code") as detailed below in figure 1.

Fig 1 Sport NI’s Governance Framework



The key elements of the systems and processes that comprise Sport NI’s governance arrangements are:

Vision, Purpose and Intended Outcomes

In delivering on its strategic objectives, Sport NI produces a five-year corporate plan and an annual business plan. The Corporate Plan is a forward looking document linking the operational activities of Sport NI to its strategy.

Sport NI drafted a new Corporate Plan for the period 2015-20. This plan adopts a Balanced Scorecard Approach enabling the employment of an “outcomes-based” approach in support of the new Programme for Government 2016-21. Driving this plan is our vision which is “Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport”.

This vision is supported by our mission ‘to lead world class sports development at all levels producing more participants and more winners’. Sport NI will seek to realise this vision through interventions that will create Sporting Communities, identify and support effective Sporting Clubs and resource and celebrate Sporting Winners.

The plan is based on projections that we will have resources of £100.3m for the period 2015 to 2020. In administering these resources, Sport NI will focus on the changes needed across Northern Ireland to provide people and athletes with the conditions they require to participate, perform and succeed in sport.

Accounting Officer Role

The Accounting Officer of Sport NI is personally responsible for safeguarding the public funds for which she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Sport NI.

The Accounting Officer exercises the following responsibilities:

- Establish, in agreement with the Department, corporate and business plans in support of the Department’s wider strategic aims and current Programme for Government objectives;
- Inform the Department of Sport NI’s progress in helping to achieve the Department’s policy objectives and in demonstrating the use of resources to achieve those objectives;
- Ensure timely forecasts and monitoring information on performance and finance are provided;
- Advise the Board on the discharge of its responsibilities as set out in the Management Statement and Financial Memorandum, the Recreation and Youth Service (Northern Ireland) Order 1986 and in any other relevant instructions and guidance that may be issued by the Department of Finance or the Department;
- Ensure that all relevant financial and non-financial information is provided to the Board in a timely fashion to ensure informed decisions are made and governing requirements complied with;
- Ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- Ensure an effective system of programme, project and contract management;
- Ensure that all public funds made available to Sport NI including any income or other receipts, are used for the purpose intended, expended in compliance with governing requirements and are used economically, efficiently and effectively;
- Ensure compliance with all governing directions issued by the Department; and
- Ensure the existence of proper accounting records.

Board

The Board is the ultimate place for decision-making on new policy, strategic planning, budgets and organisational performance. Our arrangements are covered by a range of governance directives including the Management Statement and Financial Memorandum, Scheme of Delegation, Terms of Reference and Board Standing Orders.

The principal role of the Board is the stewardship of all public resources entrusted to Sport NI to aid the realisation of the policies and priorities of the Minister and the Northern Ireland Executive.

Sport NI's Board met on 13 occasions during 2017-18 to discuss and consult on key strategic matters. Attendance by Board Members was 74% compared to 82% for the previous year. These included strategic planning, delivery of the Transformation Programme, key strategic investment programmes, budgeting, stewardship reporting, risk management and governance, advising on and overseeing on key policies such as Governing Body recognition and performance review.

Board Attendance

Name	Apr 17	May 17	Jun 17	Jun 17	June 17	July 17	Aug 17	Sept 17	Oct 17	Nov 17	Dec 17	Jan 18	Mar 18
G Lucas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
J Colville	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
B Delaney	✓	✓	x	✓	x	x	✓	✓	✓	✓	✓	x	✓
C O'Mullan	✓	✓	x	x	✓	✓	✓	✓	✓	x	✓	✓	✓
A Bingham	x	x	x	x	x	x	✓	✓	✓	x	✓	x	✓
R Bullick	✓	✓	x	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
W Erskine	✓	✓	x	✓	x	✓	✓	x	x	✓	✓	✓	x
K Harding	✓	✓	x	✓	x	✓	x	x	x	✓	x	✓	✓
K Ferguson	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	x	✓
C McStravick	x	✓	x	✓	x	x	✓	✓	✓	x	x	x	n/a
J Bryson	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	x
S Weir	✓	✓	x	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
D Petticrew	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓

Board Effectiveness

A Board self-effectiveness review was undertaken in early 2016 using the 2013 Code of Good Practice. This assessment demonstrated compliance with the 2013 Code and highlighted the need for Members to retain and build on their skills and experience. However, a range of reviews undertaken by the Interim Executive Leadership Team (IELT) reported contrary to this and raised significant comments in respect of Board skills and decision making on governance, leadership, objectivity, risk management and propriety in managing public monies. Members subsequently benefitted from training in governance and public accountability, financial reporting and the Nolan Principles. This training was delivered under the auspices of the Transformation Programme which was predicated on the work by the IELT (see "Risk Management" below). Current arrangements ensure that Board Members have access to any individual training they may require to manage risks associated with their responsibilities.

As a result of the Transformation Programme and the subsequent appointment of five new Members in February 2017, a self-assessment was not undertaken in 2016-17. These new appointments helped address skills and experience gaps identified in an earlier assessment of board skills.

A self-assessment was undertaken in March 2018. This covered the two year period from 1 April 2016 to 31 March 2018 and was formally reported to the Board on 13 June 2018. In February 2019, the self-assessment was reviewed, revised and resubmitted to the Department for Communities. This evaluation uses the National Audit Office checklist to provide an indication of compliance with Corporate Governance in central government departments: Code of good practice NI 2013 (DAO 06/13). Based on this evaluation and assurance work undertaken by Internal Audit, the Sport NI met the requirements of the guidance.

The Board also took assurance from a Project Assessment Report (PAR) into the Transformation Programme undertaken by an independent team engaged by the Department of Finance in October 2017. The review provided an Amber / Green confidence assessment and which highlighted that the majority of the 116 recommendations made by the Interim Executive Leadership Team had been completed with outstanding tasks having moved into business as usual. The review team also identified indicators of a healthy organisation.

The Board's role is to provide leadership for Sport NI within a framework of prudent and effective controls which enables risk to be assessed and managed. It functions to ensure that Sport NI acts in the public interest at all times and that its obligations to its stakeholders and others are understood and met.

The Board fulfils its accountability role by setting SportNI's strategic aims, assessing assurances that the necessary financial and human resources are in place to meet objectives and regularly reviewing and where necessary challenging organisational performance.

Critical to this accountability obligation is the availability of good quality and well timed information. The positive conclusions of an Internal Audit review in 2016-17 into the quality of information provided to the Board has provided them with assurance that the requisite information is provided to them to support them in their strategic oversight of Sport NI.

Information to the Board

In terms of Board information, a review by Internal Audit as part of its 2016-17 audit plan afforded a satisfactory opinion. The Board considered the information it receives to be of sufficient quality for effective decision making. The Chair is fully briefed in advance of each Board meeting contributing to more effective Board decision making.

Financial Expertise

In accordance with the HM Treasury Audit Committee Handbook, a qualified accountant was appointed as an independent member to the Audit and Risk Assurance Committee. This fulfills the requirement to have at least one member with recent and relevant financial experience.

Audit and Risk Assurance Committee

The Board is supported by an Audit and Risk Assurance Committee. This Committee met on 5 occasions during 2017-18. Attendance by Members was 87% compared to 84% for the previous year.

The Audit and Risk Assurance Committee support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

Audit Committee Attendance during the year was as follows:

Name	Jun 17	Aug 17	Nov 17	Dec 17	Mar 18
J Colville (Chair)	✓	✓	✓	✓	✓
K Harding	✓	✓	✓	✓	✓
D Petticrew	✓	✓	✓	✓	✓
C O'Mullan	x	✓	✓	x	✓
K Ferguson	✓	x	✓	x	✓
M Matthews	n/a	n/a	✓	✓	✓
G. Troughton	✓	✓	n/a	n/a	n/a

The work of the Audit and Risk Assurance Committee during 2017-18 was informed through review and consideration of a range of assurances on governance, risk and control which included:

- Comprehensive updates from internal audit;
- Review of key risk and associated mitigation measures;
- Chief executive's assurance statements;
- Fraud and irregularity updates;
- Updates on new guidance and directives issued by the Department of Finance and their application;
- Direct awards approvals;
- Gifts and hospitality approvals.

In discharging its responsibilities to the Board, the Committee:

- Considered business performance data and advised the Board accordingly;
- Considered Sport NI Lottery and Exchequer Accounts and supported the Board with its stewardship responsibilities;
- Considered the planning and timetable for accounts including Northern Ireland Audit Office audit strategies and advised the Board;
- Considered the financial position of Sports Council for Northern Ireland including the Sport NI Lottery Account and advised the Board; and
- Considered and informed the Annual Governance Statement and advised the Board accordingly.

In March 2015, and subsequent years, a number of risks materialised which were subject to departmental and other independent reports. See 'Risk Management' section for further details. These risks had not been identified or considered by the Audit and Risk Management Committee.

Remuneration Committee

The Board is also supported by a Remuneration Committee. This Committee is appointed by the Chair of the Board and consists of four members. It supports the Board providing assurances on the appraisal of the Chief Executive. The Remuneration Committee met in November 2017.

Executive Team

During 2017-18, the Executive Team consisted of 4 Directors and the Chief Executive who met monthly. It is responsible for the operational leadership of Sport NI in pursuance of the strategic objectives as defined by the Board.

In August 2017, the Director of Participation and Facilities left under Interchange. The Chief Executive assumed oversight of this Directorate for the remainder of the year.

Executive Team meetings during 2017-18 covered normal scheduled business including; communications; finance; governance; and human resources as well as Performance Sport and Participation unit updates. Relevant non-members were invited to attend for specific items over the course of the year, for example for business planning, research development and capital investments

Finance and Governance Committee

This Committee comprises of the Directors and was chaired by the Chief Executive and its purpose is to support the Chief Executive through active dialogue and reporting on matters pertaining to financial management, internal control, risk and governance. Specific aspects of the Committee's work include reviewing the deployment of financial resources, ensuring sound systems of control and risk, overseeing compliance and managing the dissemination of key information.

Human Resources Committee

This Committee comprises of the Directors and was chaired by the Chief Executive and its purpose is to support the Executive in effective human resources oversight in the delivery of business priorities.

3. Business Planning, Risk Management and Assurance

Business Planning

At the heart of Sport NI is the provision of a service which improves participation and sporting performance in a value for money manner. To this end, Sport NI monitors business areas and associated performance indicators ensuring opportunities are fully exploited and strategic objectives met. This necessitates the establishment of corporate and operational performance reviews, baseline performance data, budgeting, resource allocation and the alignment of strategic objectives with relevant Sport Matters and Public Service Agreement Targets.

Risk Management

Sport NI assesses how the achievement of its policies, aims and objectives might be affected by the risks it faces, and a system of internal control is designed which mitigates those risks. The system is not designed to eliminate all risk but to strike a balance between control, cost of control and appropriate risk taking. A system of internal control has been in place for the whole of 2017-18.

Sport NI's approach to risk management is guided by HM Treasury and other professional best practice, and takes full cognisance of the context and environment in which it operates. Sport NI has in place a risk management strategy which sets out roles and responsibilities and determines procedures for risk identification, monitoring, reporting and escalation of issues. It addresses risk appetite and tolerance across the breadth of business activities.

The Corporate Risk Register is compiled and managed by the Executive Team and facilitates the identification, assessment and ongoing monitoring of risks significant to Sport NI. During 2017-18, the Corporate Risk Register was a standing item at each meeting of the Executive Finance and Governance Committee, the Audit and Risk Assurance Committee and the Board.

Areas of particular focus during 2017-18 were as follows:

- **Dismissal of Chief Executive and Related Expenditure**

The Chief Executive of Sport NI was suspended in March 2015. From the 15 July 2015, Arthur Scott, a senior civil servant, was designated by the Department for Communities as Interim Chief Executive and Interim Accounting Officer. Maggie Smith (senior civil servant), was appointed by the Department for Communities, as Interim Chief Executive and Interim Accounting Officer of the Sport NI from 1 May 2016.

Following the dismissal of the Chief Executive in November 2016, an appeal was initiated immediately and subsequently a discrimination case was lodged in the Fair Employment Tribunal in respect of unfair dismissal and discrimination on the grounds of gender and religion.

The independent appeal panel established to hear the Chief Executive's appeal against dismissal reported on its findings in June 2017, overturned the Board's decision and dismissed all charges against the Chief Executive. The Appeal report findings concluded that the body of evidence, tested on the balance of probabilities did not support the upholding of the allegations and that the Chief Executive's suspension was inappropriate and her dismissal unfair. Wider Appeal Report findings identified significant concerns, with some similar to those outlined in the range of Interim Executive Leadership Team reports of March 2016 (see below). The Chief Executive was reinstated on the 31 July 2017.

The discrimination case was subsequently settled in advance of the Tribunal hearing. A payment of £25,000 was made to the appellant in December 2018, based on her proposal for this settlement amount in April 2018.

- **Review undertaken by Departmental Department for Communities' Head of Internal Audit**

In May 2015 the Department for Communities's internal auditor met with a number of Sport NI staff in response to whistleblowing allegations regarding governance and management processes in the organisation. The subsequent scoping exercise report, provided to the board in April 2016, referenced concerns in respect of leadership and management; the culture within Sport NI; sexism and gender bias; and application of HR human resources policies.

- **Interim Executive Leadership Team Report and Transformation Programme**

In June 2015 an Interim Executive Leadership Team (IELT) led by a senior civil servant from the Department for Communities was set up to address recommendations made by the Head of Internal Audit. The IELT produced 11 review reports and a composite report which set out a range of governance issues within Sport NI relating to organisational culture; HR capability, policies and recruitment practices; performance management; leadership and management; and Board operating framework, conduct and induction. These reports were provided to the Board on 1 April 2016, with 116 detailed recommendations, which were carried forward under a Transformation Programme.

At the invitation of the then Minister for Culture, Arts and Leisure, the Sport NI Board developed an Implementation Plan for the IELT recommendations. In this plan, the Board committed to the Transformation Programme covering 6 subordinate projects relating to Board Leadership, Executive Leadership and Management, Strengthening the HR function, Internal Communication, Culture Change and Governance and Accountability.

The Implementation Plan was signed off in April 2016 and the Transformation Programme was led by the Interim Chair as Senior Reporting Officer. The delivery was subject to an independent review in October 2017. The review concluded providing a delivery confidence assessment of amber/green and made 6 key recommendations which are currently being progressed.

- **Board Resignations**

In July 2015, nine members of the Board tendered their resignations. This prompted the co-option of three senior civil servants to support the Board. This arrangement ended in May 2017.

On 31 March 2016, following Ministerial review of the range of IELT reports, both the Chair and Vice-Chair resigned.

The Minister for Communities appointed Brian Mr. B. Delaney and Dr. C. O'Mullan to the position of Interim Chair and Interim-Vice Chair respectively. They remained in post until the new Chair and Vice Chair were appointed on 1 February 2017. Mr. G Lucas and Mr. J Colville currently hold these positions respectively.

- **Delay in the Publication of the Annual Report and Accounts**

The publication of Sport NI's financial statements has been delayed by a lack of expertise on accounts preparation to recognised public sector standards. As a result the 2014-15, 2015-16, 2016-17 and 2017-18 financial statements are in a position of backlog. Sport NI will undertake a review of the reasons why this backlog has occurred to ensure that for future financial statements it has the appropriate expertise to deliver financial statements which are both high quality and timely. This review will form part of a wider review of lessons learnt as a result of publication of the Northern Ireland Audit Office separate report on governance issues in Sport NI to be published in 2020. The Chief Executive, as Accounting Officer, will lead on addressing any issues arising from this report.

- **Voluntary Exit Scheme**

During 2017-18, 15 members of staff left under the Voluntary Exit Scheme (VES). While staff exit is subject to careful management and planning, this does impact the organisation not only in terms of reassigning tasks but also the loss of knowledge and experience built up over many years. The Executive Team will be leading on future exit initiatives.

- **Information Governance and Security**

As part of the Transformation Programme, self-assessment using the National Archives records management self-assessment tool demonstrated that Sport NI's systems and procedures are not compliant with the Lord Chancellor's Code of Good Practice for Information Management issued under section 46 of the Freedom of Information Act 2000. Sport NI has engaged with the Public Record Office and has developed a remediation plan.

An Information Governance Manager has been appointed as of 27 April 2017. They will lead on the implementation of an action plan to ensure compliance with the Lord Chancellor's Code of Good Practice in Records Management issued under section 46 of the Freedom of Information Act 2000 and readiness for the introduction of the General Data Protection Legislation in 2018.

Sport NI takes seriously its responsibility in relation to managing business and personal data. Over the period of the current corporate plan, Sport NI has introduced a number of new controls. These controls include the establishment of an Information Governance Unit within the organisation and the outsourcing of Sport NI's IT infrastructure.

The unit provides support and assistance to staff and members and is leading on the migration to digital records management by March 2019. During the year, this unit led on the project to ready Sport NI for the introduction of GDPR in May 2018. Sport NI has also worked closely with governing bodies of sport to assist them in preparatory work in advance of the introduction of GDPR.

- **Evaluating the Impact on Resources**

Sport NI recognises that during the 2014-15, 2015-16 and 2016-17 years, it incurred significant expenditure which could not be deemed to reflect good value for public money. The Northern Ireland Audit Office has indicated its intention to provide a separate report on this matter in 2020.

Decisions made by Sports Council during 2015-16 in respect of human resource issues and subsequent legal cases did not reflect value for money principles and practices and these will be the subject of a value for money evaluation by Sports Council to assess resource impact and inform future activities in relation to value for money principles and practices. The Northern Ireland Comptroller and Auditor General will publish a report in February 2020 which will cover these issues.

- **Fraud**

During the course of 2017-18, one case of alleged/suspected fraud was notified to Sport NI. This was dealt with under the Fraud Response Plan, investigated and no evidence was found to substantiate the allegation.

- **Personal data-related incidents**

There were no reportable incidents during the year. An iPad and iPhone were reported lost during 2017-18. Each device was remotely wiped and following investigation under formal data loss procedures, no loss incurred. There remain a number of subject access requests outstanding in Sport NI which have exceeded legislative timelines.

- **IT Assist**

As part of the Department of Finance's Digital Shared Services, support and management of the Sport NI's IT Infrastructure is now provided by IT Assist. This provides Sport NI with access to specialist support and assistance ensuring that IT risks are understood and managed. Cyber resilience and security continue to feature in our risk management discussion and reporting. There have been no data breaches which required to be notified to the Information Commissioner.

4. Governance and Accountability within Arms Length Bodies (ALB)

Sport NI is an ALB of the Department of Communities. The Accounting Officer is accountable to the Department for the effective and compliant deployment of financial resources. The business operations of Sport NI are governed by a Management Statement and Financial Memorandum which defines the relationship between the Department and Sport NI, and articulates the financial and administrative framework within which Sport NI operates. This document was revised by the Department in 2016 to reflect the change in name of the Former Department for Culture, Arts and Leisure to Department for Communities, but has not yet been formally signed by off both parties as it is currently subject to internal departmental review.

Accountability is embedded into the governance framework of Sport NI. Accountability arrangements also include regular reporting to the Department and completion of Stewardship reports which inform quarterly accountability meeting with senior departmental officials.

5. Internal Audit

The achievement of strategic objectives is predicated on good governance, sound systems of internal control and risk management and timely assurance. Timely and meaningful assurance provides confidence that opportunities are being exploited and risks are being managed in order that strategic priorities can be delivered in an efficient and effective manner.

The internal audit function is a key line of defence and assurance. The role of internal audit is to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Sport NI outsources its internal audit function. During 2017-18, KPMG were the internal auditors as appointed by the Audit and Risk Assurance Committee to carry out the approved audit plan. The internal auditor attended five meetings of the Audit and Risk Assurance Committee during 2017-18.

Internal Audit provides an independent opinion on the adequacy and effectiveness of Sport NI systems of internal control, corporate governance and risk management, together with recommendations for improvement. The overall assurance rating for 2017-18 was Satisfactory. 5 Satisfactory and 5 Limited assurances were provided in year. Limited assurances for 'Income/Debtors', 'Payroll', 'Procurement' and 'Business Continuity and Disaster Recovery' were subsequently reviewed and updated to satisfactory assurance. Implementation of Voluntary Exit Scheme review had one priority 2 and one priority 3 recommendations which were accepted by management. The priority 2 recommendation related to the accuracy of calculation of compensation payments; Sport NI has put in place control measures to ensure that all calculations are sufficiently reviewed and audited prior to notification of staff.

23 of 48 recommendations have been accepted by management and implemented by June 2018. The remaining recommendations have been progressed since. The status of Internal Audit recommendations is regularly reported to the Audit and Risk Assurance Committee.

6. External Audit

The Northern Ireland Audit Office is the appointed external auditor of the financial statements of Sport NI. Their function is to audit, certify and report on the financial statements to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of regularity, the accounting policies, significant accounting estimates and identifying any material inconsistencies in the Annual Report with the audited financial statements.

There has been a delay in the publication of Sport NI's financial statements which has meant that NIAO has been unable to complete its audit until later in 2019. The delay has applied to the 2014-15; 2015-16; 2016-17 and 2017-18 financial statements. The expected timetable for these financial statements was the end of 2015, 2016, 2017 and 2018 respectively.

The delay in the finalisation of the accounts has been attributable to several factors:-

- Governance issues within Sport NI from March 2015 to July 2017 (Northern Ireland Audit Office is to prepare a separate report on these matters);
- A lack of expertise, in Sport NI at various times over the period, on the preparation of financial statements to recognised public sector standards;
- Difficulty in retaining corporate knowledge and memory on issues with regards the 2014-15 financial statements in particular; and,
- Northern Ireland Audit Office giving priority to other audits as Sport NI failed to meet the audit timetable.

7. Review of Effectiveness of Internal Governance

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. Her review is informed by the work of the Internal Auditor, the Northern Ireland Audit Office, the Executive Team, Executive Committees and the Audit and Risk Assurance Committee.

Key risks which could affect the achievement of the Sport NI's objectives are managed actively under the risk management arrangements described above, with progress being reported regularly to the Audit and Risk Assurance Committee.

Sport NI recognises that additional work and investment is required to bring the organisation's information systems up to date to enhance management information informing strategic decision-making.

8. Internal Control Weaknesses

Delivery of the Transformation Programme

During 2016-17, new management arrangements were introduced which fostered and instilled the high standards of governance and public accountability that will be required to take the organisation forward.

This was predicated on the work by the Interim Executive Leadership Team (IELT) which was established by the then Minister of Culture, Arts and Leisure. The IELT led on a review of Sport NI subsequent to which a series of recommendations were presented which the Board took forward through a Transformation Programme.

The Transformation Programme has given rise to a significant body of work, which has continued to be embedded and has changed the way that Sport NI operates, for example, On-Boarding to IT Assist, exploration of On-Boarding to Account NI, and systematic improvements to governance, risk management and internal control. Through the Transformation Programme, for example, Sport NI has put in place a suite of HR Policies that reflect best practice and revised its procurement policy, procedures and practices. In addition, Sport NI has ensured that there are robust whistleblowing and raising concern policies and established an Internal Communications Strategy.

An independent review into the delivery of the Transformation Programme provided for a confident assessment of amber/green and stated that staff had an appetite for more radical change. Sport NI continues to actively progress the outworking of this Transformation Programme with a clear route map for change. This will embed new practices and develop further work on culture change, leadership skills and organisational restructuring.

9. Conclusion

Given the issues noted in section 3 under 'Risk Management' from 2014-15 onwards, this statement has been signed by both the Accounting Officer and the Chair of Sport NI Northern Ireland Board.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 18 February 2020



George Lucas
Chair
Sports Council for Northern Ireland

Date: 18 February 2020

Remuneration and Staff Report

Introduction

The Remuneration and Staff Report sets out Sport NI's remuneration policy, reports on how it has been implemented and sets out the amounts awarded to the senior officers and members of the Management Committee. In addition, details are provided on remuneration and staff that are key to Sport NI's accountability as a Non-Departmental Public Body.

1.0 Remuneration Report

1.1 Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister implemented a reform of arrangements for senior civil service pay and set a Pay Strategy for 2012 and 2013. The new remuneration arrangements and Pay Strategy have been developed following an assessment of the recommendations made by the Senior Salaries Review Body, the work emerging from the NICS comprehensive pay and grading review and to reflect the agenda set out in the NICS People Strategy. The new arrangements are based on a system of shorter pay scales containing a number of pay points from minima to maxima.

Within Sport NI, the Chief Executive is employed on terms analogous to Senior Civil Service Grade 5. The pay remits for the Chief Executive for 2014-15 to 2016-17 have been approved by the Remuneration Committee and are currently with the Department for Communities for approval.

Since the amalgamation of the Sports Institute, Sport NI has been collating an additional pay remit for former Sports Institute staff. It is anticipated that the pay remits will be combined in future years, once pay remits are no longer backlogged. Pay remit for 2017-18 for Sports Institute staff was submitted to the Department for Communities for approval in October 2019, 2017-18 pay remit for all other staff was approved by the Department and paid in July 2019. As part of the annual pay award, all staff with acceptable performance received a base pay uplift. Non-consolidated amounts are payable to a proportion of staff as part of the annual pay award. No bonus payments were made during 2017-18.

The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. Membership includes the Chair of the Sport NI Board. The remuneration committee met in November 2017. All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy. The Chief Executive assesses the performance of Directors.

1.2 Service Contracts

Sport NI staff appointments are made in accordance with the Sport Council Recruitment and Selection Policy and Procedures, which requires appointment to be on merit on the basis of fair and open competition.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. The notice period or compensation for early termination (other than for misconduct) of a contract is 3 months for the Chief Executive and Directors. Policy relating to notice periods and termination payments is contained in the Sport NI Staff Handbook and individual Terms and Conditions of Employment.

1.3 Salary

‘Salary’ includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments. This report is based on payments made by the Sport NI Exchequer Account.

1.4 Benefits in kind

There is a PAYE Settlement Agreement in place which covers the payment of tax and NIC in respect of all luncheon vouchers paid to staff; and Income Tax and Class 1B National Insurance Contributions for travel and subsistence expenses of part time office holders.

1.5 Salary, Bonus, Benefit in Kind and Pension Entitlements – Senior Staff (Audited Information)

The following section provides details of the remuneration and pension interests of the Chief Executive and Directors of Sport NI.

Employee	2017-18					2016-17				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000
Antoinette McKeown Chief Executive	80-85	-	1,100	25,000	105-110	#95-100 (80-85 full year equivalent)	-	200	17,000	110-115
Arthur Scott** Interim Chief Executive (15 July 2015 to 30 April 2016)	-	-	-	-	-	5 - 10 (70-75 full year equivalent)	-	-	(5,000)	0-5
Maggie Smith** Interim Chief Executive (1 May 2016 to 31 July 2017)	30-35	-	-	1,000	30-35	70-75 (70-75 full year equivalent)	-	-	18,000	85-90
Christine Kerr Interim Director of Human Resources (appointed 16 May 2016)	50-55	-	-	(1,000)	50-55	40-45 (45-50 full year equivalent)	-	-	13,000	55-60
Nick Harkness Director of Participation (career break 17 October 2016 to vacated) (vacated post 28 February 2017)	-	-	-	-	-	#35-40 (65-70 full year equivalent)	-	100	-	70-75
Shaun Ogle Director of Performance	65-70	-	1,100	3,000	65-70	65-70	-	200	10,000	75-80
Andrew Sloan Director of Finance and Governance (vacated post 28 February 2017)	-	-	-	-	-	#60-65 (65-70 full year equivalent)	-	100	13,000	75-80
John News Acting Director of Participation (appointed 18 May 2016, TP ended 31 July 2017) (Seconded to Armagh Planetarium from 01 Aug 17 – 28 Feb 2018)	15-20 (55-60 full year equivalent)	-	1,100	24,000	40-45	50-55 (55-60 full year equivalent)	-	200	48,000	95-100

Sports Council for Northern Ireland Exchequer Account 2017-18

Employee	2017-18					2016-17				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000
Leigh Brown Acting Director of Finance and Governance (appointed 18 May 2016)	55-60	-	1,100	10,000	65-70	50-55 (55-60 full year equivalent)	-	200	40,000	90-95

Fair Pay Disclosures	2017-18	2016-17 (Restated)
Range of Salaries (£000)	4 - 66	4 - 85
Band of Highest Paid Director's Total Remuneration (excluding holiday pay) (£000)	85-90	80 - 85
Median Total Remuneration (£)	29,296	27,977
Ratio	2.99	2.95

Salary costs include salary arrears from previous financial years. # Includes holiday pay of £15k, £5k and £2k for A McKeown, N Harkness and A Sloan respectively.

*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.

**During 2017-18 there were two Interim Senior Staff seconded to Sport NI. Salary details disclosed relate to charges invoiced by their employer (excluding VAT).

1.6 Median Remuneration

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 median remuneration of the staff is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date.

Total remuneration includes salary, performance pay and bonuses. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Total remuneration is calculated on an annualised basis to remove any fluctuations caused by employee turnover, which do not reflect changes in pay policy.

The FTE measurement of staff is specified to ensure a level of comparability that would otherwise be distorted, if a member of staff represented a whole unit, irrespective of the hours worked.

The ratio is calculated as follows:

$$\frac{\text{Midpoint in highest paid director's pay band}}{\text{Median remuneration of the Sport NI's staff}}$$

1.7 Board Members' Honoraria (Audited Information)

The Chair received honorarium during 17-18 totalling £26,880, (2016-17: The Interim Chair received honorarium totalling £8,360, and Chair received £4,480). The Chair was recruited by the Department for Communities in February 2017. The increase was to more fairly reflect the actual workload required in the role at that time, in particular, related to the issues detailed on pages 32 and 33 of the Governance statement. The Chair's honorarium was not directly recharged to the Sport NI Lottery Account during 2017-18. The Vice-Chair received £3,500 (2016-17: The Interim Vice-Chair received £2,926 and Vice Chair received £583).

No contributions were made for the Chair or Vice Chair as they did not meet the relevant criteria for auto enrolment. Sport NI (2016-17: £667).

All Board Members are recompensed for their vouched expenses incurred in carrying out their duties.

1.8 Bonuses

No bonus payments for performance were made in 2017-18 (2016-17: NIL).

1.9 Exit Packages (Audited Information)

During 2017-18, one Director exited via Sport NI's Voluntary Exit Scheme (2016-17: 2). The details of exit packages for all staff members during the period, including Directors, are detailed in section 9.0.

1.10 Sport NI Pensions (Audited Information)

The Sport NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 110 employees. All assets, liabilities and operating costs relating to the pension scheme are processed through the Sport NI Exchequer Account. A recharge is made to the Sport NI Lottery Account for any pension costs incurred on its behalf. During the year 22 staff were recharged to Sport NI Lottery Account.

The pension scheme is administered by NILGOSC. The benefits paid under the Scheme are based on length of membership and salary. NILGOSC maintain a fund to provide for the payment of current and prospective benefits to members of the Scheme. In order to ensure that this objective is achieved, the Committee must determine a suitable investment strategy, which provides both a high return on investments and an acceptable level of risk.

Employee contribution rates are based on pensionable pay. For 2017-18 the rates were as follows:

Band	Range	Contribution Rate
1	£0 - £14,100	5.5%
2	£14,101 - £21,500	5.8%
3	£21,501 - £35,900	6.5%
4	£35,901 - £43,400	6.8%
5	£43,401 - £85,800	8.5%
6	>£85,800	10.5%

The employer contribution rate for 2017-18 was 18%.

For any membership accrued before 1 April 2009 benefits will accrue at a rate of 1/80th of the employee's final year pensionable pay and an automatic tax free lump sum of three times their pension. For all membership accrued from 1 April 2009 benefits accrue at a rate of 1/60th of final pensionable pay for each year of service but with no automatic lump sum (members can choose to give up some of their pension to provide a lump sum). Additional Voluntary Contributions (AVC) can be paid through the NILGOSC in-house AVC provider, Prudential.

Further details about the NILGOSC pension scheme can be found at the website www.nilgosc.org.uk and section 3 below.

Seconded are members of the PCS(NI), further details of the scheme can be found at <https://www.finance-ni.gov.uk/publications/civil-service-pensions-information>.

Pension Entitlements (Audited Information)

Employee	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV
	£'000s	£'000s	£'000s	£'000s	£'000s
Antoinette McKeown Chief Executive	5-10 plus Nil lump sum	0-2.5 plus Nil lump sum	85	64	12
Shaun Ogle Director of Performance	25-30 plus 55-60 lump sum	0-2.5 plus (0-2.5) lump sum	582	547	13
John News Acting Director of Participation (1 April 17- 31 Jul 17)	15-20 plus 25-30 lump sum	0-2.5 plus (0-2.5) lump sum	239	234	2
Leigh Brown Acting Director of Finance and Governance	15-20 plus 15-20 lump sum	0-2.5 plus (0-2.5) lump sum	174	159	5
Christine Kerr Interim Director of HR	15-20 plus 45 – 50 lump sum	(0-2.5) plus (0-2.5) lump sum	349	307	(6)
Maggie Smith Interim Chief Executive	20-25 plus 60-65 lump sum	0-2.5 plus 0-2.5 lump sum	539	532	1

1.11 Cash Equivalent Transfer Values

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

1.12 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.

2.0 Staff Report

2.1 Number of Directors (Audited Information)

Director's Salary (Actual)	2017-18	2016-17
£5,000-£10,000		1
£10,000-£15,000		
£15,000-£20,000	1	
£20,000-£25,000		
£25,000-£30,000		
£30,000-£35,000	1	
£35,000-£40,000		1
£45,000-£50,000		1
£50,000-£55,000	1	2
£55,000-£60,000	1	1
£60,000-£65,000		
£65,000-£70,000	1	1
£70,000-£75,000		
£75,000-£80,000		
£80,000-£85,000		
£85,000-£90,000	1	
£90,000-£95,000		
£95,000-£100,000		2
Total Number of Directors	6	9

The table above includes temporary secondments to Sport NI. Full year equivalent details are provided in the table per section 1.5 above.

2.2 Staff Numbers and Costs (Audited Information)

2.2 (a) Staff Costs

	2017-18 £	2017-18 £	2017-18 £	2016-17 £
	Permanently Employed Staff	Others	Total	Total
Wages and Salaries	4,153,912	-	4,153,912	4,874,335
Social Security Costs	359,176	-	359,176	392,392
Pension Costs	772,983	-	772,983	936,450
Agency Costs	-	574,846	574,846	386,082
Other Pension Costs*	953,000	-	953,000	-
Sub Total	6,239,071	574,846	6,813,917	6,589,259
Less: Staff costs Recharged to Sport NI Lottery Account	(911,807)	(785)	(912,592)	(1,118,546)
Less: Recoveries in Respect of Outward Secondments	(164,122)	-	(164,122)	(28,846)
Total Net Costs	5,163,142	574,061	5,737,203	5,441,867

*Other Pension Costs relate to the increase in the present value of the liabilities of the Sport NI's defined benefit pension scheme arising from employee service in the period so as to recognise the cost of pensions over the employees' working lives.

All staff costs were incurred by Sport NI Exchequer Account and a proportion recharged to Sport NI Lottery Account.

Under terms and conditions of service, some staff are entitled to an issue of luncheon vouchers to the approximate value of 70p per day. The entitlement for full time staff is 55 vouchers per quarter issued quarterly in advance. Part time staff are entitled to luncheon vouchers on a pro rata basis to the full time equivalent. Luncheon vouchers are accounted for through the Sport NI Exchequer Account and no costs recharged to Sport NI Lottery Account. In January 2018 the luncheon voucher entitlement ceased, a buyout was negotiated and agreed with staff in receipt of luncheon vouchers. The buyout figure was £1,078 pro rata, this payment was subject to NI and Tax deductions.

2.2 (b) Average Number of Persons Employed (Audited Information)

- **Sport NI**

Number	2017-18			2016-17
	Permanently Employed Staff	Others	Total	Total
Directly employed	97	8	105	121
Agency/Secondment	-	22	22	14
Total	97	30	127	135

All of the staff were employed by the Sport NI and the proportion in relation to Sport NI Lottery Account is based on the percentage of Officers' time spent on Sport NI Lottery work activities.

- **Sport NI Lottery Account**

The average number of whole-time equivalent persons employed during the year working on Sport NI Lottery Account activities was as follows:

Number	2017-18			2016-17
	Permanently Employed Staff	Others	Total	Total
Directly employed	22	-	22	27
Agency staff	-	1	1	-
Total	22	1	23	27

2.3 Chief Executive's Remuneration (Audited Information)

The remuneration received by the Chief Executive during the year was £84,760 (31 March 2017: £99,362). The Chief Executive also received a one of payment in 2017-18 of £1078 in respect of buyout of luncheon vouchers. The remuneration received by Interim Chief Executive during the year was £33,176 exclusive of VAT (31 March 2017: £5,927 excluding VAT for Arthur Scott and £65,325 excluding VAT for Maggie Smith).

The Chief Executive is an ordinary member of the Northern Ireland Local government Officers' Superannuation Committee (NILGOSC) pension scheme.

3.0 Pension Costs and Commitments

Introduction

Sport NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme). The NILGOSC scheme is part of the Local Government Pension Scheme (LGPS) and is a defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earning scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014'.

Funding/Governance Arrangements

The funded nature of the scheme requires Sport NI and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. For 2017-18 the contribution rates were 18% employers and ranging between 5.5% and 10.5% employees (2016-17: 20% employers and ranging between 5.5% and 10.5% employees). A further employers one off deficit recovery contribution was paid directly to NILGOSC at the beginning of 2017-18, this was in line with the Funding Strategy Statement. Information on the framework for calculating the contributions to be paid is set out in LGPS Regulations (Northern Ireland) 2014 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2016 and the contributions to be paid until 31 March 2020 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The NILGOSC Committee is responsible for the governance of the fund.

Assets

The assets allocated to the Employer in the Fund are notional and the assets are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the NILGOSC Committee) is shown in the disclosures.

The NILGOSC Committee may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks

- **Asset Volatility** – The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.
- **Changes in Bond Yield** – a decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent that the Fund invests in corporate bonds).
- **Inflation Risk** – the majority of the pension liabilities are linked to either pay or price inflation.

Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

- Life Expectancy – the majority of the Fund’s obligations are to provide benefits for the life of the member following retirement, so increase in life expectancy will result in an increase in the liabilities.
- Exiting Employers – employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of ‘orphans liabilities’ may, in retrospect not be sufficient to meet the liabilities. This risk may fall on other employers. ‘Orphan liabilities’ are currently a small proportion of the overall liabilities in the Fund.

The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS19 purposes were:

3.1 Principal Financial Assumptions (% per annum)	2017-18	2016-17
	Years	Years
Duration of liabilities (years)*	24.7	24.7
	%PA	%PA
Discount rate	2.6	2.6
RPI Price Inflation	3.1	3.1
CPI Price Inflation (Pension Increase) **	2.0	2.0
Pension accounts revaluation rate ***	2.0	2.0
Salary increases ***	3.5	3.5

- * The duration of the fund’s liabilities is the average period between the calculation date and the date at which benefit payments fall due. Durations will be calculated to the nearest 0.1 years based on the output of the most recent valuation exercise of the Employer’s funded liabilities. The assumptions are rounded to the nearest 0.1p.a.
- ** Pension increases on pension in excess of Guaranteed Minimum Pension in payment where appropriate. Revaluation rate of pension accounts is set equal to the assumption for pension increases.
- *** This has been set as 1.5% above the CPI inflation assumption which is consistent with the assumption used at the 2016 Valuation.

3.2 Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

Post retirement mortality (retirement in normal health)	31 March 2018	31 March 2017
Males		
Year of Birth base table	Standard SAPS S2P tables	Standard SAPS S2P tables
Rating to above base table (years)	0	0
Scaling to above base table rates	95%	95%
Improvements to base table rates	CMI 2014 core projections with long term rate of improvement of 1.5% p.a.	CMA 2014 core projections with long term rate of improvement of 1.5% p.a.
Future lifetime from age 65 (aged 65 at accounting date)	23.3	23.2
Future lifetime from age 65 (aged 45 at accounting date)	25.5	25.4

Females

Year of Birth base table	Standard SAPS S2P tables	Standard SAPS S2P tables
Rating to above base table (years)*	0	0
Scaling to above base table rates	90%	90%
Improvements to base table rates	CMI 2014 core projections with long term rate of improvement of 1.5%p.a.	CMA 2014 core projections with long term rate of improvement of 1.5%p.a.
Future lifetime from age 65 (aged 65 at accounting date)	25.9	25.8
Future lifetime from age 65 (aged 45 at accounting date)	28.2	28.1

Commutation

Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre-2009 service) is 75% of the permitted maximum	Each member was assumed to surrender pension on retirement, such that the total cash received (including any accrued lump sum from pre-2009 service) is 75% of the permitted maximum
--	--

* A rating of x years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual x years older than them. The ratings shown apply to normal health retirements. Different rates may apply to retirement in ill health.

3.3 Asset Allocation

The approximate split of assets for the Fund as a whole is shown in the table below.

	Asset split at 31 March 2018 (%)			Asset split at 31 March 2017 (%)
	Quoted	Unquoted	Total	Total
Equities	71.3	0.1	71.4	74.5
Property	-	10.0	10.0	10.5
Government	5.2	-	5.2	5.4
Corporate Bonds	7.2	-	7.2	6.1
Cash	4.5	-	4.5	2.6
Other	0.1	1.6	1.7	0.9
Total	88.3	11.7	100.0	100.0

3.4 Reconciliation of Funded status to Statement of Financial Position (SoFP)

Reconciliation of Funded status to Statement of Financial Position	31-Mar-18 £000s	31-Mar-17 £000s
Fair value of assets	28,486	26,427
Present value of funded defined benefit obligation	35,020	32,610
Funded status	(6,534)	(6,183)
Unrecognised asset	-	-
Asset/(Liability) recognised on the SoFP	(6,534)	(6,183)

The split of the liabilities at the last valuation date between the various categories of members was as follows:

Active Members	62%
Deferred Pensioners	13%
Pensioners	25%

3.5 Breakdown of Amounts Recognised in Statement of Comprehensive Net Expenditure (SoCNE) and Other Comprehensive Expenditure (OCE)

Amount Charged to Net Expenditure Account	31-Mar-18 £000s	31-Mar-17 £000s
Operating Cost		
Current Service Cost *	1039	934
Past Service Cost (including curtailments)	580	(231)
Settlement Cost	-	-
Financing Cost		
Interest on net defined benefit liability/(asset)	150	113
Pension Expense Recognised in the SoCNE	1769	816
Remeasurements in Other Comprehensive Expenditure		
Return on plan assets (in excess of)/Below that recognised in net interest	(701)	(3,081)
Actuarial (gains)/losses due to change in financial assumptions	-	7,480
Actuarial (gains)/losses due to change in demographic assumptions	-	(269)
Actuarial (gains)/losses due to liability experience	99	(1,584)
Total Amount Recognised in Other Comprehensive Expenditure	(602)	2,546
Total Amount Recognised	1167	3,362

* The current service cost includes an allowance for the administration expenses of £0.013m (31 March 2017: £0.016m).

3.6 Movement in Deficit During the Year

Movement in Deficit During the Year	31-Mar-18 £000s	31-Mar-17 £000s
Deficit in scheme at beginning of year	(6,183)	(3,644)
Movement in the year		
Current service costs	(1,039)	(934)
Past service costs (including curtailments)	(580)	231
Contributions	816	823
Net charge on Assets	(150)	(113)
Actuarial (loss)/gain	602	(2,546)
Deficit in Scheme at End of Year	(6,534)	(6,183)

3.7 Changes to Present Value of Defined Benefit Obligation During the Accounting Period

	31-Mar-18	31-Mar-17
	£000s	£000s
Opening defined benefit obligation	32,610	25,531
Current service cost	1,039	934
Interest expense on defined benefit obligation	846	891
Contributions by participants	235	248
Actuarial (gains)/losses due to changes in financial assumptions	-	7,480
Actuarial (gains)/losses due to changes in demographic assumptions	-	(269)
Actuarial (gains)/losses due to liability experience	99	(1,584)
Net benefits paid out	(389)	(390)
Pas service costs (including curtailments)	580	(231)
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing defined benefit obligation	35,020	32,610

3.8 Changes to the Fair Value of Assets During the Accounting Period

	31-Mar-18	31-Mar-17
	£000s	£000s
Opening fair value of assets	26,427	21,887
Interest income on assets	696	778
Re-measurement gains/(losses) on assets	701	3,081
Contributions by the employer	816	823
Contributions by participants	235	248
Net benefits paid out	(389)	(390)
Net increase in liabilities from disposals/acquisitions	-	-
Settlements	-	-
Closing fair value of assets	28,486	26,427

3.9 Actual Return on Assets

	31-Mar-18	31-Mar-17
	£000s	£000s
Interest income on assets	696	778
Re-measurement gain/(loss) on assets	701	3,081
Actual return on assets	1,397	3,859

3.10 Sensitivity Analysis

The results shown above are sensitive to the assumptions used. The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2018 and the projected services cost for the year ending 31 March 2019 are set out below. In each case, only the assumption mentioned is altered, all other assumptions remain the same and are summarised in the notes above. Sensitivity of unfunded benefits (where applicable) are not included on materiality grounds.

Discount rate assumption	+0.1 p.a.	Base Figure	-0.1 p.a.
Adjustment to discount rate			
Present value of total obligation (£M)	34.166	35.020	35.895
% change in present value of total obligation	-2.4%		2.5%
Projected service cost (£M)	1.139	1.179	1.220
Approximate % change in projected service cost	-3.4%		3.5%
Rates of general increase in salaries			
Adjustment to salary increase rate	+0.1 p.a.		-0.1 p.a.
Present value of total obligation (£M)	35.312	35.020	34.731
% change in present value of total obligation	0.8%		-0.8%
Projected service cost (£M)	1.179	1.179	1.179
Approximate % change in projected service cost	0.0%		0.0%
Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption			
Adjustment to pension increase rate	+0.1 p.a.		-0.1 p.a.
Present value of total obligation (£M)	35.599	35.020	34.451
% change in present value of total obligation	1.7%		-1.6%
Projected service cost (£M)	1.220	1.179	1.139
Approximate % change in projected service cost	3.5%		-3.4%
Post retirement mortality assumption			
Adjustment to mortality assumption *	-1 Year		+1 Year
Present value of total obligation (£M)	36.041	35.020	34.002
% change in present value of total obligation	2.9%		-2.9%
Projected service cost (£M)	1.221	1.076	1.137
Approximate % change in projected service cost	3.5%		-3.5%

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

3.11 Estimated Profit and Loss/Surplus or Deficit in Future Periods

The figures below are provided based on the assumption as at 31 March 2018 outlined above.

Funded LGPS Benefits - Expected Amounts Charged to SoCNE	31-Mar-19 £000s	31-Mar-20 £000s
Current service cost *	1,076	1,113
Interest on the net defined benefit liability/(asset)	143	155
Total	1,219	1,268

* The projected service cost includes an allowance for administration expenses of £0.014m and estimated payroll costs of £3.447m in the period ending 31 March 2019; and £0.014m and £3.567m for 31 March 2020.

The pension cost shown in next year's accounts might be different to that shown above for the following reasons:

- Actual increase in payroll being different to that used in the calculations. The difference in payroll will particularly affect the current service cost;
- Past service costs many not be zero (this cost is that resulting from benefit augmentations or unreduced early retirement of individual members before age 60 or on the grounds of efficiency);
- Curtailment/settlement events may occur; and
- Actual cash-flows over the next year may differ from those assumed.

3.12 Funded Benefits

The following data has been used in evaluating the figures noted above:

Active Members as at 31 March 2016	Number	Total Pay (£M)
Total	128	4.052

Pensioner & deferred pensioner members as at 31 March 2016	Number	Total Pension (£M)
Deferred members	93	0.170
Pensioner and dependants	46	0.340

Funded cash-flow data provided	Months Provided	Amount Provided (£M)	Amount Used (£M)
Employer - Normal contributions	10	0.500	
Employer - Additional capital contributions	12	0.073	
Employer - Early retirement strain on fund payments	10	0.102	
Total contributions by the Employer			0.775
Employee - Normal contributions	10	0.196	
Employee - Added years contributions	10	-	
Total contributions by Participants			0.235
Transfers in	-	-	
Other income	-	-	
Transfers out	-	-	
Retirement lump sums	-	-	
Other outgo	-	-	
Death in service lump sums *	-	-	
Benefits paid (i.e. pension paid)	-	-	
Net benefits paid out **			0.389

* Calculated over the year to be £0.005m.

** Figure includes an allowance for expenses of £0.013m.

Funded cashflow data provided – additional contributions	Date Paid	Amount (£M)
Contributions re arrears, employer	21 August 2017	0.029
Contributions re arrears, employee	21 August 2017	0.012

Annualised pensionable payroll over the accounting period	(£M)*
Period ending 31 March 2018	3.330
Period ending 31 March 2017	4.116

* These figures have derived from the contributions paid over the relevant accounting period.

3.13 Fund Return

The investment return used to roll forward the notional share of assets from the last formal valuation of the fund to the accounting date has been calculated using returns provided by the Fund Administering Authority, where known. Where necessary, index returns appropriate to the mix of assets have been used for any remaining period to obtain an estimate of the total return over the period to the accounting date. To that return, a deduction of 0.3% p.a. has been made to allow for investment management expenses based on the Fund's experience.

The overall annualised Fund return over the accounting period has been calculated as 5.2%. This includes any adjustment to reflect the difference between Fund returns and estimated index returns used over the last accounting period, where appropriate.

4.0 Staff Composition (Audited Information)

The actual composition of staff employed by the Sport NI at 31 March 2018 was as follows:

	Male Directors	Male Employees	Female Directors	Female Employees
2017-18				
Directly Employed	2	52	1	54
Board*	-	-	-	-
Agency/Secondments	-	11	1	11
Total	2	63	2	65

	Male Directors	Male Employees	Female Directors	Female Employees
2016-17				
Directly Employed	3	53	1	55
Board*	-	-	-	-
Agency/Secondments	1	11	2	18
Total	4	64	3	73

*Board Members are employed by the Department for Communities. The Chair and Vice Chair are the only Members to receive honorarium from Sport NI.

5.0 Sickness Absence Data

The number of sick days reported in 2017-18 was 988.50 (31 March 2017: 1,419). Sport NI had an average of 8.5 days absence per full time equivalent person in 2017-18 (31 March 2017: 11.5 days).

6.0 Staff Policies Applied During the Financial Year

6.1 Employee Consultation

On matters of policy and procedure, which affect the employees of the Sport NI, the Council normally consults with the recognised trade union of which staff are members. This trade union is also a member of the Whitley Council which negotiates the terms and conditions of members with the Northern Ireland Department of Finance and Personnel.

During 2017-18 Sport NI implemented a new Performance Management Policy in consultation with NIPSA.

6.2 Equality of Opportunity

Sport NI is committed to the development of positive policies to promote equal opportunity in employment based on practices which are non-discriminatory as between people of differing abilities, religion, political view, nationality, race, colour or sex. An equal opportunities policy has been in place since March 2004 and was last reviewed in July 2016.

6.3 Employees with a Disability

Sport NI ensures that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for recruitment, training or promotion purposes.

6.4 Health and Safety

Sport NI is committed to providing staff with an environment that is as far as possible, safe and free from risk to health. In accordance with this commitment, Sport NI has complied with relevant legislation.

7.0 Expenditure on Consultancy (Audited Information)

The following costs were incurred during the year for consultancy (excluding managed service).

	2017-18	2016-17
	£	£
Actuary Report	1,412	618
Total Expenditure on Consultancy	1,412	618

8.0 Off Payroll Disclosures (Audited Information)

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, the Department of Finance requires disclosure of such engagements that cost more than £245 per day and that last for longer than 6 months. Sport NI had one off payroll engagements in 2017-18 in respect of the Interim Chief Executive. Salary details can be found at Chief Executive's Remuneration at 2.3 above and details on their appointment can be found in the Governance Statement.

9.0 Reporting of Exit Packages (Audited Information)

Exit Package Cost Band	2017-18			2016-17
	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Costs Band	Total
< £10,000	-	-	-	-
£10,000- £25,000	-	4	4	7
£25,000-£50,000	-	9	9	2
£50,000- £100,000	-	1	1	6
£100,000-£150,000	-	-	-	1
£150,000-£200,000	-	1	1	-
Total Number of Exit Packages	-	15	15	16
Total Resource Cost	-	£568,450	£568,450	£827,782

Redundancy and other departure costs have been paid in accordance with the provisions of the Sport NI's Voluntary Exit Scheme. During 2017-18 15 (2016-17: 16) staff left under the scheme. Payments to these staff were wholly funded through the Public Sector Transformation Fund. Exit costs are accounted for in full in the year of departure and inclusive of associated Pension exit costs. Exit costs were fully processed through the Sport NI Exchequer Account with the same amount received from government funding provided by the Department. If the exit costs had been recharged to the Sport NI Lottery Account in line with other salary costs, nil would have been charged (2016-17: NIL).

Assembly Accountability and Audit Report

Assembly Accountability Disclosure Notes

1. Losses and Special Payments

This section is subject to audit.

There were no losses or special payments during the year which required disclosure in the accounts (31 March 2017: Nil).

2. Fees and Charges

This section is subject to audit.

Tollymore National Outdoor Centre (TNOC) is the only operation within Sport NI that would have a significant level of income generation (see further details below). For all other areas a detailed analysis of fees and charges information is not provided as the income and full costs of each service are immaterial.

TNOC income is mainly generated through booking of courses; climbing wall use; accommodation; venue hire; and catering. During the year, TNOC generated £362,852 of income. Subvention required was £540,043 against a forecasted subvention of £554,103.

The activities of TNOC are subsidised by funding received from the Department for Communities. A full Green Book appraisal of TNOC was prepared by external consultants in September 2016, which ensures that TNOC is fully compliant with MPMNI requirement in relation to setting its charges, specifically in relation to full cost recovery activities. This was approved and signed off by Department of Finance in January 2017. The preferred option gives approval for government subvention to be applied to Skills and Leadership course provision at the Centre, however when TNOC provides activities where no market failure exists, they must apply full cost recovery to prevent direct competition.

3. Remote Contingent Liabilities

This section is subject to audit.

There were no remote contingent liabilities during the year which required disclosure in the accounts (31 March 2017: Nil).



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 18 February 2020

THE SPORTS COUNCIL FOR NORTHERN IRELAND EXCHEQUER ACCOUNT

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

Opinion on financial statements

I certify that I have audited the financial statements of the Sports Council for Northern Ireland Exchequer Account for the year ended 31 March 2018 under the Recreation and Youth Service (Northern Ireland) Order 1986. The financial statements comprise: the Statement of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Sports Council for Northern Ireland Exchequer Account's affairs as at 31 March 2018 and of the Sports Council for Northern Ireland Exchequer Account's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and Department for Communities' directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Sports Council for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially

misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department for Communities directions made under the Recreation and Youth Service (Northern Ireland) Order 1986 ; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986.

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

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

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

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 Accountability 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 the Department of Finance's guidance.

Report

My report on these financial statements can be found on pages 80 to 84.



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

Date 21st February 2020

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Notes	2017-18 £	2016-17 £
Income from sale of goods and services	4	2,021,578	2,079,993
Other operating income	4	21,006	123,205
Total Operating Income		2,042,584	2,203,198
Staff costs	3	(6,813,917)	(6,589,259)
Depreciation and Amortisation charges	3	(501,367)	(526,313)
Grants	3	(3,899,573)	(7,677,433)
Other operating expenditure	3	(2,349,198)	(2,104,390)
Total Operating Expenditure		(13,564,055)	(16,897,395)
Net Expenditure For the Year		(11,521,471)	(14,694,197)
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating expenditure:			
Net gain on revaluation of Property, Plant and Equipment	5	506,560	247,868
Net gain on revaluation of Intangible Assets	6	1,647	4,600
Actuarial gain/(loss) on pension scheme	11	602,000	(2,546,000)
Items that may be reclassified to net operating expenditure:		-	-
Comprehensive Net Expenditure for the Year		(10,411,264)	(16,987,729)

The notes on pages 65 to 79 form part of these accounts.

Statement of Financial Position as at 31 March 2018

	Notes	2018	2017
		£	£
Non-current assets:			
Property, plant and equipment	5	6,422,849	6,219,179
Intangible assets	6	55,182	75,428
Total non-current assets		6,478,031	6,294,607
Current assets:			
Inventories		-	4
Trade and other receivables	8	326,553	396,352
Cash and cash equivalents	7	297,694	519,477
Total current assets		624,247	915,833
Total assets		7,102,278	7,210,440
Current liabilities			
Trade and other payables	9	(1,438,455)	(1,334,022)
Grant Commitments	9	(1,914,781)	(2,736,292)
Total current liabilities		(3,353,236)	(4,070,314)
Total assets less current liabilities		3,749,042	3,140,126
Non-current liabilities			
Provisions	10	(47,120)	(47,120)
Retirement benefit obligations	11	(6,534,000)	(6,183,000)
Total non-current liabilities		(6,581,120)	(6,230,120)
Total assets less total liabilities		(2,832,078)	(3,089,994)
Taxpayers' equity and other reserves:			
Revaluation reserve		2,079,805	1,677,632
General reserve		1,622,117	1,415,374
Pension reserve		(6,534,000)	(6,183,000)
Total equity		(2,832,078)	(3,089,994)

The financial statements on pages 61 to 64 were approved by the Board on 18 February 2020 and were signed on its behalf by:



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 18 February 2020

The notes on pages 65 to 79 form part of these accounts.

Statement of Cash Flows For the Year Ended 31 March 2018

	Notes	2017-18 £	2016-17 £
Cash flows from operating activities			
Net operating expenditure		(11,521,471)	(14,694,197)
Adjustments for non-cash transactions	3	533,143	552,483
Decrease/(Increase) in trade and other receivables	8	69,799	(46,300)
Decrease in inventories		4	68
Increase/(Decrease) in trade and other payables	9	(717,078)	625,765
Increase/(Decrease) in pension fund payable less actuarial losses		953,000	(7,000)
<i>Net cash outflow from operating activities</i>		(10,682,603)	(13,569,181)
Cash flows from investing activities			
Purchase of non-financial assets	5	(182,910)	(196,684)
Proceeds from disposal of non-financial assets		1,550	5,334
<i>Net cash outflow from investing activities</i>		(181,360)	(191,350)
Cash flows from financing activities			
Grants from sponsoring department		10,642,180	13,577,356
<i>Net financing</i>		10,642,180	13,577,356
Net decrease in cash and cash equivalents in the period		(221,783)	(183,175)
Cash and cash equivalents at the beginning of the period		519,477	702,652
Cash and cash equivalents at the end of the period		297,694	519,477

The notes on pages 65 to 79 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

		General	Pension	Revaluation	Taxpayers'
		Fund	Reserve	Reserve	Equity
		£	£	£	£
Balance at 31 March 2016		2,420,818	(3,644,000)	1,517,061	293,379
Grants from Sponsoring Department		13,577,356	-	-	13,577,356
Comprehensive Net Expenditure for the Year	<i>SoCNE</i>	(14,701,197)	7,000	-	(14,694,197)
Actuarial Gain and Losses	<i>SoCNE</i>	-	(2,546,000)	-	(2,546,000)
Net Gain on Revaluation of Non-Current Assets	<i>5/6</i>	-	-	252,468	252,468
Auditors Remuneration	<i>3</i>	27,000			27,000
Other reserves movements including transfers		91,897	-	(91,897)	-
Balance at 31 March 2017		1,415,374	(6,183,000)	1,677,632	(3,089,994)
Grants from Sponsoring Department		10,642,180	-	-	10,642,180
Comprehensive Net Expenditure for the Year	<i>SoCNE</i>	(10,568,471)	(953,000)	-	(11,521,471)
Actuarial Gain and Losses	<i>SoCNE</i>	-	602,000	-	602,000
Net Gain on Revaluation of Non-Current Assets	<i>5/6</i>	-	-	508,207	508,207
Auditors Remuneration - Notional	<i>3</i>	27,000			27,000
Other reserves movements including transfers		106,034	-	(106,034)	-
Balance at 31 March 2018		1,622,117	(6,534,000)	2,079,805	(2,832,078)

The notes on pages 65 to 79 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the 2017-18 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 FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Sport NI, for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sport NI are described below. They have been applied consistently in dealing with items considered material to the accounts.

1.2 Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

The financial statements are stated in sterling, which is the functional and presentational currency.

1.3 Income

Grant-in-aid, from the Department for Communities, is used to finance activities and expenditure which support the statutory and other objectives of the entity is treated as financing, and credited to the General Reserve, because it is regarded as a contribution from a controlling party.

Other income sources are accounted for on a receivable basis and matched to the expenditure that it finances. This income is taken to the net expenditure account for the year to which it relates.

Fees or charges for services provided by Sport NI are determined in accordance with the Treasury's "Fees and Charges Guide".

A service level agreement operates between Sport NI Exchequer Account and Sport NI Lottery Account. This comprises of recharges for administrative costs and salaries incurred by Sport NI Exchequer Account from which the Sport NI Lottery Account has benefited directly.

1.4 Capital and Revenue Grants Payable

Grants awarded to organisations and individuals are charged to the Statement of Comprehensive Net Expenditure in the year to which they relate. Any amounts of unpaid grant at 31 March are included as liabilities in the Statement of Financial Position.

1.5 Research and Development

Research and Development costs are written off as incurred and not carried forward as an asset.

1.6 Property, Plant and Equipment and Intangible Assets

Sport NI applied a capitalisation limit of £1,000 to individual items. Items below the £1,000 threshold were charged directly to the Statement of Comprehensive Net Expenditure. Non-current asset usage on Sport NI Lottery Account activities is recharged from Sport NI Exchequer Account to Sport NI Lottery Account at the end of each financial year.

1.7 Depreciation and Amortisation

Depreciation/amortisation has been provided using the straight line method so as to write off each asset over its estimated useful life. Depreciation/amortisation is charged from the month acquired/coming into use, and not in the month in which it is disposed.

Assets are depreciated over their useful lives as follows: -

Buildings	10-25 Years
Computer Equipment	2-10 Years
Furniture and Fittings	2-20 Years
Specialist Sports Equipment	7-10 Years
Motor Vehicles	4-10 Years
Intangible Assets – Computer Equipment	2-10 Years

1.8 Impairment of Non-Current Assets

An impairment review is carried out annually, any loss in value which exceeds the credit in the revaluation reserve is then charged to the Statement of Comprehensive Net Expenditure.

1.9 Revaluation of Non-Current Assets

Non-current assets included in the Statement of Financial Position are annually reviewed to ensure that they are stated at fair value. This is carried out through applying indices. Increases in valuations are credited to the Revaluation Reserve. Downward movements are accounted through the revaluation reserve to the extent that there is a credit in that reserve that relates to the revalued asset.

The Tollymore National Outdoor Centre was valued by Land and Property Services at 31 March 2018 and will have a further formal valuation undertaken in 5 years, supplemented by annual desktop valuations.

1.10 Operating leases

Rentals payable under operating leases are written off in the Statement of Comprehensive Net Expenditure in the year. The amount charged in the year and amount of the payments to which the entity is committed is disclosed in note 12 to the accounts.

1.11 Pension Costs/Employee Benefits

Past and present employees are covered by the provision of the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2016.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of Sport NI's defined benefit scheme arising from employee service in the period is charged to the Statement of Comprehensive Net Expenditure, so as to recognise the cost of pensions over the employees' working life. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Changes in Taxpayer's Equity.

In accordance with IAS 19, Sport NI accrues for untaken employee leave and flexi.

1.12 Value Added Tax

Sport NI is registered for VAT. Sport NI does not reclaim VAT on purchases.

1.13 Trade Receivables

Trade receivables mainly arise from regular users of services at House of Sport and Tollymore National Outdoor Centre. Bad debt provision is assessed annually.

1.14 Trade Payables

Trade payables represent liabilities for goods and services provided to Sport NI prior to the end of the reporting period, which are unpaid. Purchase orders are not included as trade payables.

1.15 Inventories

Inventory is stated at the lower of cost and net realisable value. Inventory of stationery is not included in the Statement of Financial Position since it is incidental and deemed not to be material to the accounts.

1.16 Financial Instruments

Sport NI has adopted IAS 39. There has been no impact on the net assets of the organisation as a result of this. Financial instruments are detailed in note 17.

1.17 Loans and Receivables

Receivables, Cash and Cash Equivalents are classified as 'loans and receivables', in accordance with IAS 39, and are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any impairment.

Receivables do not carry any interest and are recognised at their recoverable amount, which equates to their fair value.

Cash held in the bank is a liquid resource. The carrying value of the asset approximates to fair value.

Cash equivalents are short term, highly liquid investments that are readily convertible to cash and are subject to a low risk of changes in value.

Payables & Grant Commitments are classified as 'loans and receivables', in accordance with IAS 39, and are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Payables are not interest bearing and are stated at their nominal value, which equates to their fair value.

Grant commitments are stated as per the value of the award made to the applicant, this equates to fair value.

1.18 Provisions

Sport NI provides for legal or constructive obligations as a result of a past event, which are of uncertain timing or amount at the Statement of Financial Position date, on the basis of the best estimate of the expenditure required to settle the obligation.

1.19 Contingent Liabilities

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

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

1.20 Estimation Techniques Used and Key Judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Sport NI's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Depreciation of property, plant and equipment, and amortisation of intangible assets.

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1.7.

Going Concern

The financial statements of Sport NI are produced on the Going Concern Basis. This was formally considered by the Board at its Board meeting on 11 December 2019. Sport NI is not aware of any reason to adopt a different basis.

1.21 Impending application of newly issued accounting standards not yet effective

Sport NI has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Sport NI considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

2. Operating Costs by Operating Segment

In line with IFRS 8, Sport NI does not have any segmental data to disclose. The Board of the Sport NI reviews the financial performance on a bi-monthly basis, based on similar information contained with the Statement of Comprehensive Net Expenditure of the financial statements.

3. Expenditure

	2017-18	2016-17
	£	£
Grants	3,899,573	7,677,433
Staff Costs¹:		
Wages and Salaries	4,153,912	4,874,335
Social Security Costs	359,176	392,392
Pension Costs	1,725,983	936,450
Other Staff Costs	574,846	386,082
	<hr/> 6,813,917	<hr/> 6,589,259
Non-Cash Items:		
Depreciation	479,474	502,869
Amortisation	21,893	23,444
Permanent Diminution	(169)	691
(Profit)/Loss on Disposal	4,945	(1,521)
Auditors Remuneration ²	27,000	27,000
	<hr/> 533,143	<hr/> 552,483
Other Operating Expenses:		
Managed Services	290,822	216,864
IT Assist, HR Connect, Account NI	169,849	-
Repairs & Renewals	463,177	431,342
Sports Development	262,767	270,606
Rent & Rates	265,043	270,670
Travel & Subsistence	136,181	168,184
Legal & Professional Fees	99,880	65,999
Information Services, Journals & Subscriptions	92,124	28,114
Heat & Light	80,662	83,925
Training	78,081	48,291
Insurance	74,968	92,650
Caretaking & Cleaning	68,954	49,124
Telephones & Postage	58,354	82,396
Internal Audit	57,909	30,627
Committees, Receptions & Publicity	48,899	158,166
Publications, Printing & Stationery and IT Consumables	48,202	61,684
Recruitment	7,261	1,931
Photography	5,458	4,875
Sundry Expenses	4,992	8,205
Fees and Bank Charges	1,540	2,230
Consultancy Fees	1,412	618
Promotions & Sponsorships	885	-
Bad Debt Written Off	2	70
Coaches	-	1,649
	<hr/> 2,317,422	<hr/> 2,077,220
Total	<hr/> 13,564,055	<hr/> 16,897,395

¹ Further analysis of staff costs is located in the Staff Report.

² During the year Sports Council did not purchase any non-audit services from its auditor (2016-17: £1261)

4. Income

	2017-18	2016-17
	£	RESTATED
	£	£
Sport NI Lottery Account Recharges	1,414,893	1,676,364
Tollymore Income from Services	362,852	283,320
Staff Seconded to Other Parties	164,629	28,846
Other Service Charges	79,204	91,463
Income from Goods and Services	2,021,578	2,079,993
EU Funding	17,411	106,637
Pension	-	7,000
Other Income	3,595	9,568
Other Operating Income	21,006	123,205
Total Income	2,042,584	2,203,198

5. Property, Plant and Equipment

2017-18	Buildings & Leasehold	Specialist Sports Equipment	Furniture and Fittings	Motor Vehicles	Information Technology	Total
	£	£	£	£	£	£
Cost or Valuation						
At 1 April 2017	5,760,933	865,583	185,121	162,025	1,012,531	7,986,193
Additions	171,006	4,146	1,138	-	6,620	182,910
Disposals	-	-	-	(27,521)	(74,638)	(102,159)
Revaluations	163,116	3,150	2,433	2,590	3,876	175,165
At 31 March 2018	6,095,055	872,879	188,692	137,094	948,389	8,242,109
Depreciation						
At 1 April 2017	35,455	586,415	106,599	82,338	956,207	1,767,014
Charged in year	345,906	86,343	5,679	9,567	31,979	479,474
Disposals	-	-	-	(21,026)	(74,638)	(95,664)
Revaluations	(337,961)	2,058	794	690	2,855	(331,564)
At 31 March 2018	43,400	674,816	113,072	71,569	916,403	1,819,260
Carrying amount at 1 April 2017	5,725,478	279,168	78,522	79,687	56,324	6,219,179
Carrying amount at 31 March 2018	6,051,655	198,063	75,620	65,525	31,986	6,422,849
Asset Financing:						
Owned	-	198,063	75,620	65,525	31,986	371,194
Short Leasehold	6,051,655	-	-	-	-	6,051,655
Carrying amount at 31 March 2018	6,051,655	198,063	75,620	65,525	31,986	6,422,849

5. Property, Plant and Equipment (Continued)

2016-17	Buildings & Leasehold £	Specialist Sports Equipment £	Furniture and Fittings £	Motor Vehicles £	Information Technology £	Total £
Cost or Valuation						
At 1 April 2016	5,839,331	798,528	178,865	109,164	916,177	7,842,065
Additions	3,900	129,788	22,353	38,881	1,762	196,684
Disposals	-	(12,719)	(15,989)	-	-	(28,708)
Impairments	-	-	-	-	-	-
Reclassifications and transfers	-	(54,779)	-	11,915	42,864	-
Revaluations	(82,298)	4,765	(108)	2,065	51,728	(23,848)
At 31 March 2017	5,760,933	865,583	185,121	162,025	1,012,531	7,986,193
Depreciation						
At 1 April 2016	28,308	564,973	109,140	66,153	791,160	1,559,734
Charged in year	330,739	81,338	9,875	4,481	76,436	502,869
Disposals	-	(12,119)	(12,776)	-	-	(24,895)
Impairments	-	-	-	-	-	-
Reclassifications and transfers	-	(50,403)	-	10,744	39,659	-
Revaluations	(323,592)	2,626	360	960	48,952	(270,694)
At 31 March 2017	35,455	586,415	106,599	82,338	956,207	1,767,014
Carrying amount at 1 April 2016	5,811,023	233,555	69,725	43,011	125,017	6,282,331
Carrying amount at 31 March 2017	5,725,478	279,168	78,522	79,687	56,324	6,219,179
Asset Financing:						
Owned	-	279,168	78,522	79,687	56,324	493,701
Short Leasehold	5,725,478	-	-	-	-	5,725,478
Carrying amount at 31 March 2017	5,725,478	279,168	78,522	79,687	56,324	6,219,179

The carrying amount of buildings comprises:

	2017-18	2016-17
	£	£
Short Leasehold	<u>6,051,655</u>	<u>5,725,478</u>

Tollymore National Outdoor Centre buildings had a full valuation completed for 31 March 2016. Land and Property Services valued the Centre at £5,743,758. Sport NI has requested Land and Property Services to value the building on the assumption that the life of the building and its useful life to Sport NI should be restricted to the term of the operating lease of the land on which the building resides. The valuer has the qualification MRICS.

All other buildings, property, plant and equipment were valued at 31 March 2016 through application of indices (where possible) as published by the Office for National Statistics.

The leases entered into in respect of the land at Tollymore National Outdoor Centre and Altnadue Quarry have been expensed to the Net Expenditure Account (see Note 12).

6. Intangible Assets

	2017-18	2016-17
	Information	Information
	Technology	Technology
Cost or valuation	£	£
At 1 April	316,373	295,687
Additions	-	-
Disposals	-	-
Impairments	-	-
Revaluations	5,078	20,686
At 31 March	<u>321,451</u>	<u>316,373</u>
Amortisation		
At 1 April	240,945	201,746
Charged in year	21,893	23,444
Disposals	-	-
Impairments	-	-
Revaluations	3,431	15,755
At 31 March	<u>266,269</u>	<u>240,945</u>
Carrying amount at 1 April	<u>75,428</u>	<u>93,941</u>
Carrying amount at 31 March	<u>55,182</u>	<u>75,428</u>
Asset Financing:		
Owned	55,182	75,428
Carrying amount at 31 March	<u>55,182</u>	<u>75,428</u>

7. Cash and Cash Equivalents

	2017-18	2016-17
	£	£
Balance at 1 April	519,477	702,652
Net Change in Cash and Cash Equivalent Balances	(221,783)	(183,175)
Balance at 31 March	<u>297,694</u>	<u>519,477</u>

The following balances at the 31 March were held at:

	2017-18	2016-17
	£	£
Commercial Banks and Cash in Hand	297,694	519,477
Balance at 31 March	<u>297,694</u>	<u>519,477</u>

8. Trade Receivables, Financial and Other Assets

	2017-18	2016-17
	£	£
Amounts falling due within one year:		
Trade Receivables	46,404	53,498
Owed by Sport NI Lottery Account	118,749	241,385
Prepayments and Accrued Income	161,400	101,469
	<u>326,553</u>	<u>396,352</u>

9. Trade Payables, Financial and Other Liabilities

	2017-18	2016-17
	£	£
Amounts falling due within one year:		
Trade Payables	646,764	362,999
Other Tax and Social Security	-	26,051
VAT	20,128	86,733
Accruals & Deferred Income	771,563	858,239
Total Trade and Other Payables	<u>1,438,455</u>	<u>1,334,022</u>
Grant Commitments	<u>1,914,781</u>	<u>2,736,292</u>
Total	<u>3,353,236</u>	<u>4,070,314</u>

10. Provisions for Liabilities and Charges

	2017-18	2016-17
	£	£
Balance at 1 April	47,120	47,120
Provided in Year	-	-
Balance at 31 March	<u>47,120</u>	<u>47,120</u>
	2017-18	2016-17
	£	£
Analysis of expected timing of cash flows		
Not later than one year	-	-
Later than one year and not later than five years	47,120	47,120
Later than five years	-	-
Balance at 31 March	<u>47,120</u>	<u>47,120</u>

The provision relates to legal costs that Sport NI may have to pay to a third party.

11. Retirement Benefit Obligation

	2017-18	2016-17
	£	£
Pension Deficit	<u>6,534,000</u>	<u>6,183,000</u>

Details of the net pension liabilities are outlined within the Staff Report.

12. Leases

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

12.1 Operating Leases

	2017-18	2016-17
	£	£
Obligations under operating leases comprise:		
Land and Buildings		
Not later than one year	99,398	99,398
Later than one year and not later than five years	217,592	217,592
Over Five Years	<u>168,512</u>	<u>222,910</u>
Total	<u>485,502</u>	<u>539,900</u>

£144,398 (31 March 2017: £144,398) was included as an expense on operating leases within rent and rates in the Statement of Comprehensive Net Expenditure.

The land which Tollymore National Outdoor Centre resides on is leased and is subject to rent reviews every five years. Sport NI also leases land from the Department for Agriculture, Environment and Rural Affairs for outdoor activities.

The House of Sport rental agreement with the Department of Culture, Arts and Leisure is leased on a rolling agreement, cancellable with 6 months prior notice. There are no specific rent reviews contained within the lease. A general review of rental values for government properties was undertaken in 2008, which increased the rent from £36,000 to £90,000.

Sports Institute facilities are rented from Ulster University

13. Capital Commitments

There were no capital commitments as at 31 March 2018 (31 March 2017: Nil).

14. Other Financial Commitments

There were no other financial commitments as at 31 March 2018 (31 March 2017: Nil).

15. Contingent Liabilities

Sport NI has one unquantifiable contingent liabilities as a result of a legal case ongoing from 2015-16.

16. Related Party Transactions

Several members of the Board and senior staff (Executive Team) are involved in sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. They do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of transactions with the organisations concerned together with details of those who declared an interest is detailed below. All the transactions relating to these organisations were conducted at arm's length by Sport NI.

The following transactions are considered to be disclosable Related Party Transactions in respect of Council Members and Senior Executive Team.

Board Member	Grantee/Supplier	Commitments to Grantee/Supplier £	Relationship of Staff Member to Grantee/Supplier
Jackie Bryson	Mountaineering Council of Ireland	162	Observer on Mountain Training UK Board which includes rep from MI.
Richard Bullick	Education Authority	422,263	Salaried Employee – Current
James Jay Colville	East Down Yacht Club	In-kind (worth £700)	Subscribing Member – Current
Kyle Ferguson	University of Ulster	32,000	Salaried Employee – Current
Kieran Harding	Irish FA	2,000	Salaried Employee – Current
	Glentoran FC	In-kind (worth £700)	Salaried Employee – Current
	Rosario YFC	In-kind (worth £700)	Person Connected – Coach - Current
George Lucas	Belfast Boat Club	50	Person Connected – Member
Darryl Petticrew	Disability Sport NI	759,976	Personal relationship with Chief Executive
	Revolution Fitness Newtownabbey	In-kind (worth £700)	Gym member

Executive Team Member	Grantee/Supplier	Commitments to Grantee/Supplier £	Relationship of Staff Member to Grantee/Supplier
Leigh Brown	CIPFA	354	Associate Member - Current
John News	Cycling Ireland	150	Subscribing Member – Current
	St Peter’s GAA Club (Lurgan)	4,291	Person Connected – Subscribing Member – Current
Shaun Ogle	Cycling Ireland	150	Subscribing Member – Current

Other related parties include:

Sport NI is a Non-Departmental Public Body sponsored by the Department for Communities. The Department for Communities is regarded as a related party. During the year Sport NI has had various transactions with the Department and with other entities for which the Department for Communities is regarded as the parent Department. None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the Sport NI during the year.

Sport NI operates a Lottery Account in which awards are distributed. A number of recharges are made to the Sport NI Lottery Account.

As a matter of policy and procedure, Sport NI maintains a publicly available register of interests where Council Members and staff declare any direct interest in grant applications made to Sport NI or any commercial relationships of Sport NI. In addition, Exchequer grants were paid during the year to a number of organisations in which Council Members declared an interest. Having declared an interest Council Members are required to leave the meeting while the relevant application is discussed and a decision is made.

17. Financial Instruments

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

Sport NI does not use financial instruments to manage financial risks associated with its underlying business activities and the financing of those activities. Nor does it undertake any trading activity in financial instruments.

18. Third Party Assets

There are no third party assets as at 31 March 2018 (31 March 2017: Nil).

19. Events After the Reporting Period

Events after the balance sheet date are those material events, both favourable and adverse, that occur between the end of the reporting period and the date when the accounts are authorised for issue. There were have been no such events.

Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on 21 February 2020.

Report by the Comptroller and Auditor General Sport NI Annual Report and Accounts 2017-18

Due to the delay in certifying a number of Sport NI Accounts (2014-15, 2015-16, 2016-17 and 2017-18) the circumstances surrounding the delay, as set out in this report, are appropriate to all four accounting periods.

Governance Issues

Chief Executive's suspension, dismissal and subsequent reinstatement

In September 2013 Antoinette McKeown took up post as Chief Executive Officer of the Sports Council for Northern Ireland (Sport NI). In this role she was responsible for implementing the strategic vision, policy and direction of Sport NI and for ensuring that the organisation met the agreed objectives and targets in the Corporate and Business plans. The Chief Executive Officer was also responsible for advising the Board on the discharge of its responsibilities and ensuring the Board was kept fully informed on the condition of the organisation, its performance, including the systems of internal control, and all important factors influencing it as part of supporting good governance.

The Department of Culture, Arts and Leisure (DCAL) appointed the Chief Executive Officer as Accounting Officer for Sport NI on 9 September 2013.

On the 10 March 2015 the Sport NI Board suspended the Chief Executive Officer from her position to conduct an open and unhindered investigation into leadership issues. The Leadership Investigation concluded and was presented to the Board at its 16 June 2015 meeting. On the 22 June 2015 the Board informed the Chief Executive Officer that they were moving to disciplinary action. The disciplinary case concluded on 22 November 2016, some 518 days later, with the dismissal of the Chief Executive Officer, subject to appeal. The Chief Executive Officer appealed the decision of the disciplinary panel and her appeal was upheld. The Board confirmed this decision on 14 June 2017 and the Chief Executive Officer returned to work on 31 July.

The appointment of the Interim Executive leadership Team (IEL Team)

In May 2015 whistle-blowing allegations were received by DCAL. These allegations referenced the view that there were other individuals in Sport NI, who had similar concerns, but felt unable to raise these within the organisation.

The DCAL Permanent Secretary issued a letter to all Sport NI staff-providing direct contact details for the DCAL Head of Internal Audit should staff have issues of concerns which they felt unable to raise within Sport NI. As a result of this letter ten more staff came forward to raise issues which resulted in DCAL asking its Head of Internal Audit to complete a Scoping Exercise into Sport NI's management and governance issues.

The DCAL Internal Audit report (1 July 2015) made a number of recommendations for DCAL to take forward, regarding concerns raised by Sport NI staff. On 8 July the DCAL Minister set up an Interim Executive Leadership Team (IEL Team) to investigate concerns raised by Sport NI staff. The IEL Team, led by a senior civil servant (designated interim Chief Executive Officer and Accounting Officer) and two staff, were seconded from DCAL, to manage the executive functions within Sport NI.

A key aim for the IEL Team was to develop an action plan to address the recommendations made in DCAL's 1 July 2015 Internal Audit report.

Board resignations and the appointment of interim members

In accordance with the Recreation and Youth Service (Northern Ireland) Order 1986, the Department with responsibility for Sport, appoints the members of the Sport NI Board, including a Chair and Vice Chair. At 1 July 2015 the Sport NI Board comprised 12 members in addition to the Chair and Vice Chair, 14 in total. On 6 July 2015 nine Board members resigned.

At the August 2015 Sport NI Board meeting three senior civil servants were co-opted to support the Board in an advisory capacity. On 29 September 2015 DCAL launched an open public appointments competition to recruit Sport NI Board members. On 1 January 2016, five new members joined the Board. In February 2016 a co-opted advisor stepped down from the Board.

The Chair and Vice Chair of Sport NI resigned on the 31 March 2016. DCAL appointed an interim Chair and interim Vice Chair from the existing Board members, with immediate effect. From 9 May 2016 responsibility for sport transferred from DCAL to the Department for Communities (DfC). In June 2016 a second advisor stepped down from the Board. At the 17 August 2016 Board meeting the third co-opted member stepped down from the Board but remained on the Audit, Risk Assurance Committee. On 8 September 2016 DfC launched an open public appointments competition to recruit additional Sport NI Board members. Appointments to the Board were made with effect from 1 February 2017, including a Chair and Vice Chair.

Account Completion Issues

It is my view that the unique circumstances outlined in this report meant an inevitable delay in completion of the Sport NI 2014-15 and 2015-16 financial statements. Given the strengthening of the Sport NI Board and the return of the Chief Executive on 31 July 2017, NIAO anticipated that the completion of Sport NI financial statements (as required for both Exchequer and Lottery funds) would begin to return to a normal footing later in 2017. This did not occur and in 2018 the financial statements for 2014-15, 2015-16 and 2016-17 were all in a backlog position. It is extremely unusual for a body audited by NIAO to have so many years' financial statements in backlog.

In February 2015 NIAO commenced interim audit work on Sport NI's financial statements for 2014-15. This work was suspended as the draft statements and the supporting audit file were of poor quality. Although further drafts of the financial statements were provided in August 2015 and April 2016, financial statements which were of an acceptable quality to enable the audit to proceed were not submitted until July 2016. The 2014-15 audit was carried out in parallel with the audit of the 2015-16 financial statements which were submitted by Sport NI on August 2016.

An issue arose during the audit of the 2015-16 financial statements which also impacted upon the 2014-15 statements. NIAO raised the matter with Sport NI in January 2017 and in October 2017 updated financial statements for 2014-15 and 2015-16 were provided by Sport NI (in addition to a number of versions provided in 2016).

On 13 November 2017 NIAO provided Sport NI with a number of extensive lists setting out how the information provided by Sport NI needed to be progressed to allow for the completion of outstanding audits of the financial statements, which now included 2016-17 as well as the 2014-15 and 2015-16 financial statements. My staff met with the Chair of the Audit and Risk Assurance Committee on the same day to outline our concerns that Sport NI was still unable to finalise the financial statements.

Following regular meetings and discussions with NIAO, further drafts of the 2014-15, 2015-16 and 2016-17 financial statements were provided on 18 June 2018. NIAO's review found that the statements were not to the required standards.

Normally I will only complete the audit of financial statements when an audited body has ensured compliance with guidance such as the Department of Finance's Financial Reporting Manual and Managing Public Money NI. However, Sport NI had failed to do so in relation to its 2014-15, 2015-16, 2016-17 and 2017-18 financial statements. Preparing financial statements to an acceptable standard and on a timely basis is a key governance requirement as these provide accountability for the funds made available to Sport NI by the Department.

NIAO became increasingly concerned at the time taken by Sport NI to complete its backlog financial statements and was not assured that the issue was being resolved by Sport NI. The delay was attributable to three factors:

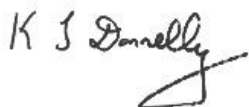
- The governance issues with Sport NI from March 2015 to July 2017;
- A lack of expertise in Sport NI at various times over this period on the preparation of financial statements to recognised public sector standards; and
- Difficulty in retaining corporate knowledge on issues with regards to the 2014-15 financial statements in particular.

As a consequence of Sport NI failing to meet the routine audit timetables, NIAO had to give priority to completion of other audits which were not in backlog.

In February 2019 NIAO indicated to Sport NI that it was closing the audits of the 2014-15 and 2015-16 financial statements. NIAO requested signed copies of the financial statements and advised that it would respond to any outstanding issues in the audit certificate and report. Following certification of the 2014-15 and 2015-16 financial statements, NIAO have now brought the 2016-17 and 2017-18 audits to a close on a similar basis.

Further Report

It is my intention, in accordance with Article 8 of the Audit (Northern Ireland) Order 1987, to publish a report covering, in more detail, the governance issues outlined above, including giving third parties the opportunity to comment on my findings.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a stylized flourish at the end.

K J Donnelly

Comptroller and Auditor General

Date 21st February 2020