

Department of Culture, Arts and Leisure
Annual Report and Accounts
For the year ended 31 March 2016

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

1 July 2016

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Annual Report and Accounts for the year ended 31 March 2016

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Performance
Report

All information applies to the period 1 April 2015 to 31 March 2016
unless otherwise stated.

Permanent Secretary's Statement

I am pleased to report a very good year's performance in the final year of operations of the Department of Culture, Arts and Leisure. Overall, 25 of our 36 Business Plan targets were fully met, four more were almost met and seven were missed. It is worth pointing out that, for the most part, external factors beyond the control of the Department were responsible for those targets which were missed.

Our successful performance extended across all areas of the Department and our arm's length bodies and other stakeholders played a key role in ensuring this success. Our Business Plan for the year had an emphasis on delivery of results – over half of its targets had an outward focus on delivering culture, arts and leisure to the public – and in particular on harnessing the transformative power of culture, arts and leisure to promote equality, and tackle poverty and social exclusion for the good of all.

The remainder of our targets related to improving ourselves as an organisation, and good progress was made throughout the year in particular by improving processes, by enhancing engagement, and by developing our staff. These activities are essential as they drive high performance in our outward facing operations, especially as we prepare for transition under the reorganisation of Executive Departments

Three challenges in particular were faced throughout the year. The first challenge - continued budget constraints - required careful financial management throughout the year, both within the Department and within our arm's length bodies, to ensure that frontline services and other Ministerial priorities were adequately resourced. Thanks to the hard work of our Finance Team, the diligence of budget holders across the DCAL Family, the Audit and Risk Assurance Committee of the Departmental Board and the Departmental Board itself, this challenge has been met. The second challenge we addressed was managing the consequences of the NICS Voluntary Exit Scheme. Overall, one in seven members of staff left the Department under this scheme yet, despite the obvious pressure on those remaining, a high level of performance across all business areas was maintained. This says much for the outstanding commitment and dedication of all staff across the DCAL Family. The third challenge came in the form of the NICS Departmental Restructuring Programme, in particular managing this complex process and ensuring that Departmental functions are fit for purpose when they are merged to create new NICS departments. This challenge has also been successfully met.

It is clear from the figures and narrative presented in this Report that the Department continues to exert a very important influence in many aspects of the lives of a great many people, and for some, our influence can literally be life-changing.

As the various functions of the Department of Culture, Arts and Leisure move to new departments from 9 May, there will be exciting opportunities to design new interventions and delivery models. I am confident that culture, arts and leisure will continue to bring positive impacts and outcomes for the benefit of all in society and that the new departmental arrangements, building on the good work of DCAL, will serve to maximise these.

Denis McMahon

Permanent Secretary

Purpose and Activities

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

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

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

Core Divisions

During the period of this report, the work of the Department was divided into six core divisions:

Culture Division is responsible for arts and creativity; and the creative industries; language policy; architecture and the built environment policy and compliance with governance arrangements for arm's length bodies and, in conjunction with the Department of Arts, Heritage and the Gaeltacht, the North-South Language Body and Waterways Ireland.

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

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

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

Capital Division is responsible for the Regional and Sub Regional Stadia Programmes and for co-ordinating capital planning and delivery across the Department.

Transition and Delivery Division is responsible for the management of the transition of DCAL's functions across to the three receiving Departments – Department for Communities, Department for Infrastructure and the Department for Agriculture, Environment and Rural Affairs. The Director is also responsible for media relations and Minister's Office & Permanent Secretary's Office.

Our Vision, Mission and Values

DCAL's Mission is:

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

We do this by:

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

Our Values are:

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

Key Issues and Risks

The key issues and risks that had the potential to affect delivery of Departmental objectives throughout the reporting period were:

- challenging budgetary conditions;
- the NICS Voluntary Exit Scheme; and
- the NICS Departmental Restructuring programme.

The opening position of the 2015-16 Resource budget was £91,698,000. This was 8.25% less than the 2014-15 baseline and equated to £8,249,000 less resource being available to the Department and its arm's length bodies. The key challenge presented was to maintain a high standard of delivery – especially in respect of frontline services and Ministerial priorities – with significantly less resources.

Under the Voluntary Exit Scheme, 42 DCAL staff departed, out of a total headcount of 294 (as of 31 March 2015). This represents a decrease of 14% in the headcount, equivalent to one in seven staff. In addition, separate voluntary exit schemes were in operation in the Department's arm's length bodies. Measures adopted to protect business continuity included restructuring of business units, prioritising vacancy filling in business critical posts, prioritising workload across business units, and a reduction of non-business critical operations.

Throughout 2015-16, the Department prepared for the reduction in NICS departments as outlined in the Executive's *A Fresh Start: The Stormont Agreement and Implementation Plan*. The key objective of the preparations was to ensure that all Departmental functions would be in a fit for purpose state in creating the new departments. This work was co-ordinated by a small dedicated team within the Department whose role was to ensure appropriate Departmental representation on the various workstreams, co-ordination of workstreams, and ensuring that staff in the Department and the Department's arm's length bodies are engaged in the process.

In order to operate effectively in the face of this unprecedented set of challenges, two committees of the Departmental Board were established – a Delivery Sub-Committee to oversee and drive forward the Department's work programme to ensure timely and effective delivery of the Department's strategic priorities and a Transition Sub-Committee to ensure coherence in the transition process and ensure that all Departmental functions would be fit for purpose on day one of operations under the new departmental structures.

Performance Summary

The overall summary of progress against the 36 Business Plan targets is as follows:

	Target fully met	25
	Target almost met	4
	Target missed	7

Note: 'almost met' is defined as performance meeting at least 90% of the target or the target being met no later than one month after the date specified in the target.

Full detail of performance against each target is recorded on pages 17 to 22 of this Report and full narrative on Departmental activity is contained in pages 22 to 53.

Overall, 25 targets were fully met. These included very good performance in respect of visits to museums, where the visitor target was exceeded by 20%, and in respect of visits to the Public Records Office. The target relating to Líoifa participants was exceeded by 33%. Other targets which were exceeded by a considerable margin were the target relating to STEM visits to various DCAL facilities and the target relating to hosting school visits to museums.

In relation to the Department's major capital investment – the Regional Stadiums Programme - development of Windsor Park (with the exception of the West Stand) was completed on time. Another important Departmental project is the contribution to the Executive's Together: Building a United Community. Here, the cross-community sports programme was successfully delivered. Good progress was also made in respect of the Department's investments in the North West, and the PRONI Digital Repository was also successfully completed to time.

Almost all of the targets relating to internal processes, stakeholder engagement and organisational learning and growth were met. Good performance in these areas is essential to good operational performance. Highlights in this area of performance included successfully managing a complex programme of transition in relation to migrating to new departmental structures, engagement with stakeholders, financial management, implementation of initiatives relating to process streamlining, revenue raising and communications, and staff development.

The four targets which were narrowly missed nonetheless represented good performance. The public libraries visitor target was missed by less than 1%, and a second libraries target relating to all libraries delivering activities relevant to addressing social exclusion – in addition to their normal suite of services - was also only narrowly missed. The target relating to the new fishing permit and licensing system was missed by four weeks, and all but one of the recommendations identified in an internal report on revenue generating opportunities were implemented.

Seven targets were missed by a more substantial margin. Only 15 of the planned 30 apprenticeships under the Creative Employment Scheme materialised, the reason being that many of the organisations operating under the scheme facing acute financial challenges throughout the year. Redevelopment at Casement Park was delayed due to difficulties with the planning application: however, good progress is now being made with a new application. Work on the Oral History Archive has been suspended following the Fresh Start Agreement in November. The target in respect of arts engagement amongst people from the most deprived areas was missed, as was the target for sports participation amongst people from the most deprived areas. The two other targets not met related to sickness absence (where various support measures and closer monitoring were applied throughout the year) and the failure to undertake an evaluation of the DCAL Leadership Programme due to the unavailability of resources.

Performance Analysis

Entities within the Departmental Accounting Boundary

The Department's accounting boundary excludes Executive Non-Departmental Public Bodies (NDPBs) in line with the Government Financial Reporting Manual. These resource accounts present the results for 2015-16 of the entities within the departmental accounting boundary.

The core Department is the only entity within the boundary.

Bodies outside the Departmental Accounting Boundary

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

- Arts Council of Northern Ireland (Arts Council NI)
- National Museums and Galleries of Northern Ireland (National Museums NI)
- Northern Ireland Library Authority (Libraries NI)
- Sports Council for Northern Ireland (Sport NI)
- Northern Ireland Museums Council Ltd (NIMC) – a Company Limited by Guarantee
- Armagh Observatory and Armagh Planetarium (AOP) – A Public Corporation
- Northern Ireland Screen Commission Ltd (NI Screen)

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

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

The Northern Ireland Events Company (NIEC) is a company limited by guarantee and is regarded as outside the accounting boundary. The Department has settled all creditor claims against the company and is now taking steps to wind up the company.

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

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

To promote sound working relationships each ALB works in close conjunction with a designated sponsor branch within the Department. In addition, the Corporate Strategy & Governance Unit (CSGU) ensures a high level of professionalism and consistency in how the

Department carries out its sponsorship activities in areas which are generic in nature and which require a level of expertise in the fields of finance, governance and accountability.

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

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

Departmental Reporting Cycle

Under the terms of Resource Accounting and Budgeting (Government Resources and Accounts Act (NI) 2001) the Department is required to submit a Main Estimate and a Spring Supplementary Estimate which provide the basis on which the Northern Ireland Assembly authorises resource consumption and associated financing requirements. The 2015-16 Estimates provided for expenditure for: inland fisheries and certain inland waterways; miscellaneous libraries; arts and creativity*; museums; W5; sports; cultural policy and languages; Public Record Office of Northern Ireland; and North South Language Body and Waterways Ireland departmental overheads. The Estimates also provided for grants-in-aid to: the Northern Ireland Library Authority; National Museums and Galleries Northern Ireland; Arts Council of Northern Ireland; Sports Council for Northern Ireland; Armagh Observatory and Planetarium; World Police and Fire Games Limited; Northern Ireland Screen; Northern Ireland Museums Council; Waterways Ireland; North/South Language Body; administration and other related services; and provision for associated non-cash items. The Department's Resource Accounts are made available through the Department's website (www.dcalni.gov.uk) after they are laid before the Assembly.

*Includes City of Culture legacy

Organisational Development

Responding to the 2015-16 budget

The requirement to maintain delivery in the face of continuing cuts in budgets and staffing presented difficult challenges throughout the year. The DCAL Senior Management Team prioritised operations and allocated resources accordingly to ensure that DCAL continued to provide the highest possible standard of service. These arrangements were kept under regular review by the Departmental Board.

A Fresh Start

The NI Executive's *A Fresh Start: the Stormont Agreement and Implementation Plan* will see DCAL functions transferring to four new departments - the Department for Communities, the Department for Infrastructure, the Department for Agriculture, Environment and Rural Affairs and the Department for the Economy - on 9 May 2016. In order to oversee this transition whilst at the same time maintaining delivery, a new Transition Sub-Committee and a new Delivery Sub-Committee - each headed by the Permanent Secretary and reporting directly to the Departmental Board – were established. The Transition Sub-Committee was tasked with bringing strategic focus in leading the transitional change programme. The transition work was co-ordinated by a Transition Programme Team and an inclusive approach, involving all staff, was adopted throughout the complex process of change. The Delivery Sub-Committee was responsible for overseeing and driving forward DCAL's work programme, including maintaining an emphasis on promoting equality and tackling poverty and social exclusion, to ensure timely delivery of strategic priorities during the period of change.



1. Belfast Central Library
2. Lófa Children's Book Club at Bhunscoil Bheann Mhadagain Primary School
3. Kingspan Stadium
4. Celebration of Sport, Lakeland Forum, Enniskillen – Fencing
5. Minister Ní Chuilín cuts the first sod to mark the beginning of work on new £2.8 million sports facilities for Dungiven
6. Celebration of Sport, Lakeland Forum, Enniskillen – TBUC Young Leaders
7. Cynthia Smith, Denis Maher, Dr Ciaran Byrne & Cathal Gallagher. Inland Fisheries Ireland at the 2nd International Sea Trout Symposium in Dundalk

1	2
3	5
4	
6	7

Management Commentary

The following management commentary summarises progress and achievements in 2015-16 across all main business areas in DCAL. It is structured into three parts:

- 1 an update of progress against DCAL's Programme for Government commitments;
- 2 an analysis of milestone targets contained in DCAL's Business Plan 2015-16; and
- 3 commentary on Departmental performance consisting of narrative reports from DCAL's business areas.

1 PFG 2011-15 DCAL Key Commitments

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

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

The first and third targets above were met before the commencement of this reporting period, whilst work continued in respect of the second target throughout the period.

A detailed assessment of DCAL's progress against its PFG commitments follows.

COMMITMENT	
Support 200 projects through the Creative Industries Innovation Fund	
Progress 2015-16	This commitment has been met. In total, 203 projects were supported by 31 March 2015.

COMMITMENT	
Develop sport stadiums as agreed with the Irish Football Association, Gaelic Athletic Association and Ulster Rugby	
Progress 2015-16	<p>Kingspan Stadium – The Ulster Rugby Kingspan Stadium, including the education and heritage centre and community facilities are now complete.</p> <ul style="list-style-type: none"> • The official opening of the Stadium took place on 2 May 2014. • UBIRFU has received safety certification from Belfast City Council to host a capacity crowd of up to 18,000. • Ulster Rugby Kingspan Stadium was successful in being selected to host the 2015 Final of the Guinness PRO12 competition. <p>Windsor Park – The Windsor Park project is currently under construction and work is progressing well. With the exception of the West Stand the stadium redevelopment was completed in March 2016.</p> <p>On 31 March 2015, DCAL was notified by the IFA that there was a structural problem with the West Stand. On 20 April 2015, the Board of the IFA met to ratify a recommendation that from the National Football Stadium project team that the West Stand at the stadium be demolished.</p> <p>All costs associated with this element of the project are being covered through the contractors insurance brokers and no additional funds are required from DCAL.</p> <p>The reconstruction of the West Stand, whilst not funded through</p>

	<p>Departmental Funds, falls within the remit of the project therefore this has extended the Department's involvement in Windsor Park until September 2016.</p> <p>The Olympia Leisure Centre project is an exciting partnership between the Department and Belfast City Council and the funding provided by the Department will enable Belfast City Council to provide a new leisure centre and sports village at the rear of the west stand at Windsor Park. Completion of the project is expected in September 2016.</p> <p>Casement Park – Construction work at Casement Park is currently delayed.</p> <p>On 18th December 2014 Mr Justice Horner quashed the existing planning approval for the Casement Park project. It is expected that the Ulster GAA will submit a new planning application in the third quarter of 2016 to develop a regional stadium in Ulster at Casement Park. Since the ruling, the UCGAA, the Department and the relevant team members have studied the judgement in order that the new planning application will fully address and take into account the points raised in the judgement.</p> <p>The redevelopment of Casement Park is a Programme for Government commitment and therefore remains a key priority.</p>
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COMMITMENT	
Host the World Police and Fire Games in 2013	
Progress 2015-16	This commitment has been met. The Games were successfully delivered in August 2013.

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

Ref	Milestone target as at 31 March 2016	Progress as at 31 March 2016
1	R1.1 665,000 visits to National Museums in 2015-16	798,067 visits were achieved in 2015-16
2	R1.2 5.4 million visits to public libraries in 2015-16	5,364,102 visits recorded using Smartgates and electronic counters. Please note that the gates/counters were not working in some libraries for periods of time and therefore the actual visits figure is in excess of those recorded and likely to be in excess of the target.
3	R1.3 To increase the proportion of people in the 20% most deprived areas who engage in the arts to 79% (by 31 March 2016)	75% of people from the 20% most deprived areas engaged in the arts during the year to 31 March 2016
4	R1.4 To increase the proportion of people in the 20% most deprived areas participating in sport to increase to 50% (by 31 March 2016)	46% of people from the 20% most deprived areas participated in sport during the year to 31 March 2016 Through the Active Communities Programme, Active Awards for Sport, and Active Clubs, Sport NI has contributed to an increase in participation in the 20% most deprived areas through its work to achieve the target within its Business Plan for 2015-16 to have 35,550 people from areas of greatest social need participating in Sport NI initiatives.
5	R1.5 At least 20,000 visits to PRONI in 2015-16	22,294 visits recorded.
6	R1.6 At least 13.5 million page views on PRONI webpages in 2015-16	13,989,645 page views recorded in 2015-16
7	R1.7 Increase the number of Líofo participants to 13,000 (by 31 March 2016)	17,374 Líofo participants at 31 March 2016.
8	R1.8 NMNI to host 7,000 visitors from schools in areas of high multiple deprivation in 2015-16	7,952 school visitors from areas of highest multiple deprivation
9	R1.9 All public libraries to deliver at least two activities in 2015-16 which target a local area or group at risk of social exclusion	There are 96 public libraries, of which: 89 delivered 2 or more activities 5 delivered 1 activity

		2 delivered 0 activities. Total number of activities: 3,410
10	R1.10 To deliver 30 apprenticeships/ internships in the creative sector for young people under the Creative Employment Scheme (by 31 March 2016)	Total of 15 apprenticeships/internships were delivered in 2015-16. Take up has been affected by caution arising from in year cuts.
11	R1.11 35,330 people participating in Sport NI's initiatives from areas of greatest social need (by 31 March 2016)	<p>This target mostly relates to the following Sport NI participation based interventions:</p> <ol style="list-style-type: none"> 1. Active Communities (AC) - 25000 participants (worst 20% of deprived areas) 2. Active Awards for Sport – 9000 participants (worst 25% of deprived areas) 3. Active Clubs – 1100 participants (worst 25% of deprived areas) <ul style="list-style-type: none"> • Active Communities Programme – 22,954 • Active Awards for Sport - Total participants from areas of greatest need to 31 December 2015 was 13,450 • Active Clubs – As of 31 December 2015, the actual output for new club members from areas of high social need was 517
12	R1.12 Compile a report on the consultation on the Irish Language Bill, and use findings to inform the content of an Irish Language Act (by 30 June 2015)	Report was submitted to Minister on 30 June 2015 and published on 18 December 2015.
13	R1.13 Put in place arrangements for the implementation of an Oral History Archive of the conflict (by 31 March 2016) Note: subject to Party Leaders' agreement and resources	The work on the Oral History Archive was completed and draft legislation was prepared until work on the legacy bodies was suspended following the Fresh Start agreement in November 2015.
14	R1.14 Make Statutory Rules under the Public Records Act (NI) 1923 to	The rules were made and laid at the Assembly on 4 March 2016 and

	facilitate the release of court and inquest records (by 31 March 2016)	came into operation on 30 March 2016.
15	R2.1 Complete redevelopment of Windsor Park Stadium (by 31 March 2016)	<p>With the exception of the West Stand, the stadium redevelopment was completed in March 2016.</p> <p>The reconstruction of the West Stand, whilst not funded through Departmental funds, falls within the remit of the project therefore this has extended the Department's involvement in Windsor Park until September 2016.</p>
16	R2.2 Ensure planning applications lodged with Planning Service for the redevelopment of Casement Park (by 31 March 2016)	The GAA are taking forward design/development work to progress towards a planning application and hope to be in a position to submit an application in the third quarter of 2016. Phase 1 of the consultation commenced in March 2016.
17	<p>R2.3 Building on the evaluation of the pilot TBUC cross community sports programme and community partnerships established in 2014-15:</p> <ul style="list-style-type: none"> • co-design a revised sports programme in the Lower Falls and Greater Village areas of Belfast and deliver agreed targets by 31 March 2016; • develop a methodology for roll out of the revised model of the TBUC cross community sports programme and deliver agreed targets in new areas by 31 March 2016, subject to additional funding from the Executive. 	<p>This target has been met. A revised sports programme inclusive of recommendations from the independent evaluation was co-designed with the Greater Village Regeneration Trust and Roden Street Community Development Group in 2015-16. The revised programme was delivered in full and ended with a celebration event on 19 March 2016.</p> <p>This target has been met. A methodology for roll-out of the programme has been developed and includes adding a strong rural dimension and a strategic partnership with OFMDFM's Urban Villages initiative. Planning and recruitment is underway for a sports programme in Lisnaskea, County Fermanagh and stakeholder</p>

		engagement has commenced in Colin and Eastside with a view to beginning a programme in 2016-17.
18	R2.4 Deliver the North West Social and Economic Development Programme, including oversight and promotion of DCAL's investment in event delivery equipment and cultural hub development to ensure agreed outcomes are achieved (by agreed dates)	<p>The North West Social and Economic Development Programme was successfully delivered in 2014-15. Additional funding was secured in 2015-16 for a range of projects including the roll out of the cultural hub programme to organisations in Belfast and Armagh as well as community cultural strategy activity and event delivery equipment.</p> <p>Between January 2014 and March 2016, DCAL has invested more than £10 million in a range of projects including capital refurbishments, purchase of event delivery equipment for arts and cultural activity, community cultural strategy activity and hi tech digital equipment for a cultural hub programme.</p>
19	R2.5 Host at least 16,600 participants on STEM and related programmes at National Museums, public libraries, Armagh Observatory and Planetarium and Creative Learning Centres (by 31 March 2016)	<p>8,898 participants in NI Screen activities through the Creative Learning Centres and Digital Films archive.</p> <p>14,515 participants on STEM and related programmes at National Museums NI</p> <p>4,237 participants on STEAM and related programmes provided by Armagh Observatory and Planetarium.</p> <p>7,506 participants on Libraries NI STEM-related programmes.</p>
20	C1.1 Ensure the Department and its arm's length bodies have appropriate arrangements in place to assess customer satisfaction (by 30 September 2015)	An extensive exercise was undertaken by Research & Statistics Branch to identify and collate the range of measures in place across the Department and its arm's length bodies for assessing customer satisfaction. The outcome of this was reported to the November

		meeting of the Departmental Board.
21	C1.2 Measure and report on customer satisfaction levels (by 31 March 2016)	The above review recommended that sponsor branches ensure that ALBs continue to monitor and engage with their customers on an ongoing basis.
22	C2.1 Develop and implement a programme of engagement with relevant stakeholders to highlight the Department's capabilities and potential as a strategic partner (by 30 September 2015)	A DCAL 'Prospectus' was developed highlighting the opportunities that could be realised through the restructuring process. This was shared with all Project Boards of receiving departments. Engagement events were also undertaken with staff and key stakeholders.
23	<i>P1.1 Achieve an overall satisfactory rating from Internal Audit for the 2015-16 year for inclusion in the Annual Governance Statement (by 31 March 2016)</i>	A satisfactory rating was achieved. See Governance Statement on page 64.
24	P2.1 Avoid overspend and ensure less than 1.0% underspend against budget (by 31 March 2016)	A 1% underspend against budget was achieved.
25	P2.2 Throughout 2015-16, support the delivery of the Programme for Government target to increase drawdown of European Union funding by 50%	ACNI has facilitated the drawdown of approximately Euro 296k competitive funding from the Creative Europe Programme as a contribution to the overall Executive target.
26	P3.1 Complete all 2015-16 actions identified by the Governance and Process Streamlining Project Group (by 31 March 2016)	The selection of actions agreed by the Board have been successfully implemented.
27	P3.2 Complete all 2015-16 actions identified by the Revenue Generation Project Group (by 31 March 2016)	Recommendations implemented with the exception of establishing an EU Gateway.
28	P3.3 Complete all 2015-16 actions identified by the Advocacy Project Group (by 31 March 2016)	The recommendations earmarked for completion in 2015-16 have been achieved or progressed as far as possible in the timescale
29	P4.1 Deliver a new fishing e-licensing and permits system under the Executive's 16 by 16 Initiative (by 31 March 2016) Note – subject to availability of funding	New permit/licensing system will go live on 28 April 2016.

30	P4.2 Implement and further develop the Digital Repository (by 31 December 2015)	Full implementation December 2015
31	OLG 1.1 Complete an effectiveness exercise in respect of the Departmental Board (by 30 June 2015)	Effectiveness exercise carried out in March 2015.
32	OLG 1.2 Undertake an evaluation of the DCAL Leadership Programme (by 31 March 2016)	This has not been possible due to severely reduced resources within PFMB, following VES and other exits.
33	OLG 1.3 Ensure all post-holders have the skills necessary to perform effectively by meeting all priority 1 training needs within 3 months of identification	All Priority 1 training needs identified to date have been met or are in progress
34	OLG 2.1 To have substantively completed preparatory work to enable DCAL functions to be transferred to new departments following the 2016 election (by 31 March 2016)	All preparatory work completed in line with requirements of receiving Departments. Inputs provided to central projects through agreed workstreams.
35	OLG 2.2 Throughout 2015-16, to provide monthly updates to all staff on progress with the above	Updates to staff were included on the Transition website. These included DCAL, DAERA, Dfi and DfC updates.
36	OLG 3.1 Achieve an average sickness absence rate of 6.5 days sickness absence per employee (by 31 March 2016)	This target will not be met. The most recent prediction indicates a rate of 9.6 days, up on the 2014-15 figure of 9.2 days.

3 Commentary on Departmental Performance

The services delivered by the Department and the funding provided to its ALBs have played an important role in promoting social and economic equality and in tackling poverty and social exclusion. In addition, many other positive impacts have been achieved. All of this has been achieved against a backdrop of difficult budgetary conditions and a reduction in staff numbers. This has required skilful management across the DCAL Family throughout the year. Savings were achieved through a combination of vacancy management and scaling back non-critical spend. This approach has ensured that resources have been optimally allocated and Departmental priorities identified in the 2015-16 Business Plan have been sufficiently resourced.

The services delivered are illustrated below, together with some key highlights from the year 2015-16.

Promoting Equality, Tackling Poverty and Social Exclusion

During 2015-2016, significant work was undertaken across the DCAL family in relation to the promotion of equality and tackling poverty and social exclusion (PETPSE). This yielded some excellent work to ensure the realisation of the socio-economic benefits of working with disadvantaged communities.

Much of our PETPSE work was community focused, and following on from the successful road show series in 2014/2015, contacts were built upon and a number of new projects emerged with key partners and stakeholders. This innovation produced a valuable array of projects carried out with targeted groups, including children in care; homeless young people; the Irish travelling community; South Belfast ethnic minority/migrant groups, and prisoners.

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

North-South Working

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

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

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

North West

DCAL's North West Team has continued to ensure the delivery of a lasting legacy of the 2013 City of Culture through additional investment in both resource and capital projects across the North West.

Between January 2014 and March 2016 DCAL has invested more than £10 million in a range of projects including capital refurbishments, purchase of event delivery equipment and delivery of community cultural strategy activity in the North West Neighbourhood Renewal Areas. The cultural hub programme, which was initiated in 2014-15 in the North West, has been rolled out to additional North West hubs and also to existing community facilities in Belfast and Armagh to improve access to digital technology and equipment.

The outcomes from this investment are designed to contribute to the delivery of the Department's high level objectives around promoting equality and tackling poverty and social exclusion. Projects have been developed in consultation with community organisations in order to achieve the maximum impact in terms of community benefit.

The Department's continued investment demonstrates the power of arts and cultural activities to transform lives, inspire communities and provide innovative and effective ways to engage the disengaged and help rebuild the economy.

Stadiums

The Regional Stadium Development Programme is a key commitment under the 2011-15 Programme for Government. Following a NI Executive funding allocation of £110m, the Department has implemented the management and development structures that are required for the effective delivery of the Stadium Programme and the following progress has been made:

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

- Ulster Rugby has received safety certification from Belfast City Council to host a capacity crowd of up to 18,000 at the stadium;
- The stadium was selected to host the 2015 Final of the Guinness PRO12 competition, and will play a pivotal role in the Women's Rugby World Cup 2017;
- Irish Rugby Football Union intend to bid to host the Rugby World Cup in 2023, and the stadium is listed as a potential venue.

Windsor Park – The Windsor Park project is nearing the end of its construction phase and work is progressing well.

With the exception of the West Stand, the stadium redevelopment was completed in March 2016.

On 31 March 2015, DCAL was notified by the IFA that there was a structural problem with the existing West Stand. On 20 April 2015, the Board of the IFA met to ratify a

recommendation that from the National Football Stadium project team that the West Stand at the stadium be demolished. The responsibility for the re-instatement of the West Stand at Windsor Park lies with the contractor and all costs associated with this element of the project are being covered through their insurance brokers. No additional funds are required from the Department.

The reconstruction of the West Stand, whilst not funded through Departmental Funds, falls within the remit of the project therefore this has extended the Department's involvement in Windsor Park until September 2016.

Work on the Olympia Leisure Centre project is continuing. This project is an exciting partnership between the Department and Belfast City Council and the funding provided by the Department will enable Belfast City Council to provide a new leisure centre and sports village at the rear of the west stand at Windsor Park. This project is scheduled to be completed in September 2016.

Casement Park – The Casement Park project is making good progress in moving forward again.

The GAA are taking forward design/development work to progress towards a planning application and hope to be in a position to submit an application in the third quarter of 2016.

Phase one of their consultation commenced in March 2016. The first phase in the process is developing and agreeing a scoping exercise with Belfast City Council. An environmental impact assessment of the proposed redevelopment will identify key topics for assessment as well as other reports and information, with an environmental statement being submitted to Belfast City Council in support of the proposals and to assist in the determination of the application. Phase two is a comprehensive twenty week pre-application community consultation programme.

The GAA and their team will ensure that the new planning application fully addresses the points raised in the Judicial Review.

Meetings have been held with key stakeholders, including the Safety Technical Group, to provide the necessary assurances required to support a robust new planning application.

The redevelopment of Casement Park is a Programme for Government 2011-15 commitment and therefore remains a key priority.

In June 2015, following evidence given by the Chair of the Safety Technical Group (STG) to the CAL Committee, and in line with good programme and project management practices, the Minister commissioned an independent Project Assessment Review (PAR) by the British

Cabinet Office's Major Projects Authority and committed to 'implement any learning points and recommendations which may be made and also to publish the report'.

On 7 August 2015, the Independent PAR Report into the Regional Stadia Programme was published. The Report made 20 recommendations and the Minister committed to ensuring all recommendations would be implemented in full.

The PAR Report concluded that the goal of constructing and operating a strategic regional stadium for the GAA in Ulster was 'achievable' on the Casement Park site. The review team also found that many aspects of the Programme had gone very well, with the Kingspan Stadium successfully completed and the Windsor Park project making good progress. The team acknowledged that there were some general weaknesses and challenges within the programme but importantly concluded that a regional stadium at Casement Park was achievable.

An Action Plan was developed to oversee implementation of the PAR recommendations, with most of recommendations expected to be implemented in full by 2016. To date eleven recommendations have been fully implemented with significant progress being made against all the remaining actions.

The key recommendations from the PAR which have already been implemented include:

- A dedicated Programme Senior Responsible Owner has been appointed – Ian Maye took up his post in September 2015;
- Danny McSorely has been appointed as the new independent Chair of the STG with the first meeting of the newly constituted STG being held on 26 November 2015;
- Monthly meetings of the STG have been scheduled and the group has met on eight occasions and also held four workshops focused on the Casement Park project. In addition there was a study visit and bi-lateral meetings;
- The Sports Grounds Safety Authority has joined the STG in an advisory capacity;
- The STG recently visited a number of venues in the Midlands area of England. The visit has helped with implementation of the PAR recommendations particularly in relation to building experience and capacity, sharing knowledge and best practice and also learning how certifying authorities, police forces and sports ground owners have worked together to address challenges in sports ground safety;
- The GAA have appointed Rory Miskelly as their Project Leader and also appointed two independent members to their Project Board;

- The GAA are continuing to work with their project team to progress towards submitting a new planning application in the third quarter of 2016 and in advance of this announced a community consultation on the new plans for redeveloping Casement Park in March 2016.

Sub-Regional Stadia Programme – Throughout 2015-16 the development of a Sub-Regional Stadia Programme for Soccer has remained a priority for DCAL.

A Strategic Outline Case was approved by Department of Finance and Personnel in June 2015.

A 12 week public consultation on the Programme ended on 22 February 2016 with over 1,200 responses received. These are now receiving detailed consideration and analysis by officials.

Responses to the consultation document will help to shape the programme going forward, including the eligibility criteria for the Programme.

It is envisaged that the Sub-Regional Programme will be open for applications in 2016 and step through the assessment process including the various audits of need, competitions and business cases planned for late 2015-16 – early 2016-17, with capital delivery to be undertaken in financial years 2016-2018.

The forthcoming process for allocation of funding will be fair, open and transparent and will be based on an evidenced-based approach to the demonstration of need for investment.

The Department acknowledges that sub-regional works will be required for Gaelic and rugby as well as soccer. Further work is required to ascertain the sub-regional requirements across all three of these governing bodies before a bid for funding for a further phase of the sub-regional programme is submitted. The Department is currently working on this with the aim of bidding for further funding in 2016-17.

Social Clauses - Social clauses have been firmly embedded throughout the procurement and delivery process across the Regional Stadium Development Programme. These clauses are maximising the sustainable, economic, and social outcomes of the Programme.

Strong progress on the achievement of social clause outcomes has been made within the Programme. After the completion of the Kingspan Stadium, DCAL decided to appoint 'Employment Brokers' in July 2015. Since this appointment, the employability statistics have been particularly impressive in relation to the Windsor Park project, which is expected to fully meet their social clause targets.

With the Kingspan Stadium completed and Windsor Park progressing well, there have been a number of lessons learned that have been used to inform the future approach to the delivery of social benefits within the wider stadium and other capital programmes.

Líofa

Líofa aims to increase the number of people speaking Irish, improve fluency levels and broaden the appeal of the Irish language across communities. Since its launch in September 2011, over 17,500 people have signed up to Líofa which is good progress in meeting the overall target of 20,000 sign-ups by 2020.

DCAL has introduced a number of measures to increase the profile of Líofa and provide practical support to Líofa participants. These include:

- Líofa website (www.liofa.eu) with online e learning resources;
- Gaeltacht Bursary Scheme (100 places);
- Intensive Irish Languages Classes (800 places);
- Outreach work to schools, GAA Clubs and Community Groups;
- Líofa Book clubs for adults and children.
- Participation in promotion events such as Seachtain na Gaeilge, Balmoral show and Freshers days.

This year over 500 people applied for 100 places on the Líofa Gaeltacht Bursary Scheme and the first course will commence in June 2016. One of the key priorities of the Scheme is to contribute to tackling poverty and social exclusion. The Scheme aims to give eligible applicants, on low incomes, an opportunity to attend intensive Irish Languages courses that are held in the Donegal Gaeltacht during the summer. The intensive nature of these courses helps learners to develop their speaking and listening skills.

To mark the fourth anniversary of Líofa, 11 intensive one day courses were held in September 2016 which were attended by over 800 people of all ages and ability.

Sport

Throughout 2015-16 the Department has continued to oversee the delivery of *Sport Matters – the Strategy for Sport and Physical Recreation, 2009 – 2019*. The Department published its 6th *Sport Matters Progress Report* during the year, showing that to date, 9 of the 26 targets through to 2019 had been achieved. Following the completion of a Mid -Term Review of Sport Matters in 2015, a new Implementation Action Plan was developed and published which will steer the Strategy through to its completion in 2019.

DCAL invested, through Sport NI, approximately £9.1 million in a range of resource programmes ranging from those aimed at improving participation to those designed to improve elite performance. Programmes, such as Active Communities and Active Awards for Sport, have been designed and delivered to include the promotion of equality and tackling of poverty and social exclusion.

High performance sport has also showed good progress. Athletes achieving success at the highest level include a number of notable achievements, such as Kelly Gallagher who won a gold medal at the IPC Alpine Ski-ing Europa Cup, Michael Conlon who won a gold medal at the World Amateur Boxing Championships, Laura McGinley who became the Double All Ireland Champion in Archery, Aisling Reilly who is World Champion in Handball and Jason Smyth and Michael McKillop who won gold medals at the IPC World Athletics Championships. Such success cannot be achieved without the very important support provided by the Sports Institute, as well as qualified coaches, volunteers, sports systems, and strong sports governing bodies. The quality of this support was demonstrated when Craig Fulton, Ireland Men's Hockey Coach was selected as 2015 Men's Coach of the Year by the International Hockey Federation. There have also been improvements in standards within sports governing bodies and clubs.

Wider participation and sporting success requires good facilities. Places for sport is a key theme in *Sport Matters*, and notable progress has been made in the provision of high standard facilities. For example, the Department has supported Sport NI as it implements a £3.27m lottery investment programme for boxing, which is addressing facility needs at amateur boxing clubs, many of which are situated in areas of high deprivation and provide positive engagement in sport to their communities, particularly young people. The first phase of the programme has been completed with 94 clubs receiving boxing equipment. The second phase of the programme is currently being delivered and will provide capital investment for 40 boxing clubs to improve facilities either through repairs, major refurbishment or new builds. This capital investment is ongoing, with projects at various stages of progress.

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

bodies. The Club Development Manager continues to work with boxing clubs to maintain these standards.

The Department has also provided £1.2m for exchequer capital funding during the year. This has assisted with a number of projects, notably for boxing clubs in the North-West and community sports facilities in Dungiven.

Following an Assembly debate in March 2015, the DCAL Minister undertook to map the provision of Automated Electronic Defibrillation (AEDs) equipment at sporting locations. The Department's officials explored a number of approaches to a mapping exercise for AED provision and engaged with a number of stakeholders including the NI Ambulance Service, Sport NI, NI Sports Forum and British Heart Foundation. As a result of the work taken forward by the Department a protocol was developed and agreed with NI Ambulance Service to map AED provision in sports locations using their IT system. This approach along with the development of key messages and an agreed marketing exercise by the British Heart Foundation will provide a level of provision and awareness that was previously not possible. Critically it has connected the mapping of AEDs with Ambulance Control so that accessible AEDs can be factored into 999 cardiac incidents being dealt with by the controllers at Ambulance HQ and ensures that any incident where an AED may be utilised is not isolated from an Ambulance and emergency staff being deployed. The mapping exercise has been extended to the other areas of DCAL including museums, libraries and DCAL/SportNI Buildings. In addition the Department's Sports Branch provided support to the Henderson Group for its community based AED fund raising initiative to increase public access in urban and rural areas to AEDs.

Sporting achievement has been recognised with the staging of a Celebration of Sport event in Fermanagh, hosted by the Minister. Individual receptions have also been held to mark particular achievements during the year for Michael Conlon, the Special Olympics and the NI Women's Football Association.

The Department worked closely with the organisers of the *Friendship Four Ice Hockey Festival*, which brought four major US College ice-hockey teams to Belfast for a competitive tournament. This work ensured that significant legacy activities were provided around *Friendship Four*. These activities included: a presentation on sporting scholarship opportunities in the US university system, made to a selection of young talented athletes and their coaches from across the north; facilitating engagement between young athletes and universities to raise awareness of an alternative to professional sport and the benefits of pursuing an education while at the same time realising their sporting potential; visits by the universities' players and officials to schools in the run up to the *Friendship Four* weekend; free tickets to *Friendship Four* matches, distributed to schools and youth groups in areas of greatest need, to allow young people to attend; and Belfast Giants' participation in *c2k Schools Broadcasts* to schools covering the importance of education alongside fulfilling sporting ambitions.

Salmon and Inland Fisheries

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

The conservation and protection of salmon stocks was again a key priority in 2015-16. DCAL's approach to salmon conservation involves habitat improvement projects on rivers and the provision of advice and guidance to other bodies with responsibility for regulating activities which are potentially detrimental to fisheries. The Department carried out its annual review to determine the conservation status of salmon rivers within the DCAL area and was able to re-open 2 new salmon rivers for the taking of salmon by rod and line. Commercial salmon fisheries remain closed and the Department has successfully reached compensation arrangements for all those netsmen affected by the prohibition on salmon netting.

DCAL also brought forward a number of amendments to the Fisheries Act to help modernise enforcement activity and to re-align the 1966 Act with its obligations under EU Directives such as the Water Framework Directive and the EU Services Directives. These formed part of a draft Fisheries Bill which was introduced to the Assembly in December 2015 for consideration. While these proposals could not be progressed due to the limited life-span of that Assembly mandate, they will be included in the legislative programme of newly formed Department of Agriculture, Environment and Rural Affairs going-forward.

IFG is also transforming its licensing/permit arrangements with the assistance of NI Direct through the Permanent Secretaries Group 16 x 16 project. The go-live date is April 2016 and the purpose is to create e-records for all purchases, via distributors and online and in providing an accessible management information system.

IFG has also taken responsibility for entering into a new partnership agreement with NI Water (NIW) on arrangements for the future management of the fishing rights of a number of NIW reservoirs. This will increase the number of waters available in the PAE to DAERA permit holders in conjunction with angling clubs through the terms of a management agreement with the Department. The new partnership arrangements are aimed at increasing the use and community value of publically owned assets.

Two years ago IFG established a small Community Outreach Team in response to the Departmental priorities of Promoting Equality, Tackling Poverty and Social Exclusion (PETPSE). The Community Outreach Team works with a wide range of groups to organise events using angling as a vehicle to address a wide range of issues including health and well being, mental health and social exclusion. Partner groups include the Simon Community, Erne Disabled Anglers, Lagan Valley Education Project, Extern and Mountfern Adult Centre. To date almost 1500 individuals have received complementary licences as part of an introduction to angling experience.

Following discussions with a range of stakeholders, IFG agreed to develop a more strategic long term approach to the management of the fish stocks in the Lough Neagh and Lough Erne catchments. The development of the plans involved extensive stakeholder engagement, which resulted in draft fisheries management plans being published for public consultation in September 2015. The public consultation on the plans closed on 4 December 2015 and an analysis of the responses is underway.

Other key activities during 2015-16 included managing the 64 sites that make up the public angling estate. DCAL also undertook habitat improvement works and constructed seven new disabled stands, and worked closely with local communities and fisheries interests with the aim of supporting the eel fishery on Lough Neagh, Europe's largest eel fishery. In addition, DCAL officials provided technical, professional and policy advice and guidance to government departments, agencies and other organisations, and Fisheries staff continued to undertake fisheries protection work.

Museums

The Department sets policy and provides grant funding to two non-departmental public bodies that deliver or help to deliver museum services within the community. These are National Museums NI and the NI Museums Council. National Museums, through four sites and community outreach activities, promotes awareness, appreciation and understanding of art, history and science; the culture and way of life of people; and the migration and settlement of people. The NI Museums Council acts as the main channel of government support to local (non-funded) museums.

National Museums received a £11.5m resource budget in support of service delivery in line with its statutory responsibilities. This resource was principally used by National Museums to deliver on the Minister's commitment to make museum collections more accessible to the community, particularly in areas of deprivation, and to continue to help promote equality and tackle poverty and social exclusion (PETPSE). To this end National Museums delivered a range of projects in 2015-16 including school programmes, lifelong learning initiatives for older people, employability programmes, young parent's programmes and free daytrips to NMNI sites. In addition, and as part of the Executive's *Together Building a United Community* (TBUC) initiative, National Museums launched in partnership with Libraries NI a radically new community engagement programme entitled *Out and About: Museums in Your Community, 2015-19*. The *Out and About* programme focuses on Urban Village areas as designated under the TBUC strategy and is designed to improve opportunities for people in those areas to access museum and other publicly held cultural assets. National Museums

plans to extend the partnership to other Departmental arm's length bodies including the Arts Council and NI Screen.

During the year National Museums' submission entitled '*Berkeley Bear Experience*' achieved a Highly Commended award within the Collaboration category of the DCAL Learning Forum 'Claire's Awards'. In addition, in November 2015 a Visitor Guide at the Ulster Museum was one of five individuals who won a Marsh Award for Excellence in Gallery Education whilst taking part in the NMNI/NIMC Community Engagement Initiative. These awards recognise creative approaches to education and lifelong learning.

Following the resignation of the former National Museums CEO in 2014, the Department also assisted National Museums in running an external recruitment exercise for a permanent replacement CEO during 2015-16. This resulted in the appointment of a new CEO, Kathryn Thomson, in March 2016.

The Department continues to provide core operational funding for the NI Museums Council that enables it to assist the local museums sector. In 2015-16 DCAL also worked closely with the Council to enable the organisation to relocate its offices to Cultra. The Council itself continues to run a range of programmes, including Lottery funded programmes, that are consistent with Departmental objectives in terms of widening community access and PETS. In particular the Council has run a Community Engagement initiative in partnership with National Museums that trains people from diverse backgrounds to develop a capacity follow a career in the sector and help communities to better connect with museums. The Department has further provided support to the Council in developing improved research methodologies on behalf of local museums that will enable them to improve understanding of their customer base and inform the development of future programmes.

Armagh Observatory & Planetarium - In recognition of the scientific and heritage value of Armagh Observatory & Planetarium (AOP), the Department has been assisting the organisation over the past year to implement a comprehensive organisational change programme. This principally involves the merger of the Observatory and Planetarium into a single structure headed up by a new, single Chief Executive.

To this end, the Department agreed to be represented on AOP's Change Programme Board and facilitated the appointment of a Change Project Manager, reporting to the Board, to take forward day to day implementation. These arrangements, together with wider support from DCAL, has enabled AOP to complete a recruitment exercise for the appointment a new Chief Executive who will be expected to drive forward internal organisational development in the longer term.

The new Chief Executive is expected to take up post in August 2016. Pending this, the Department has appointed an Interim Accounting Officer for both the Observatory and the Planetarium. This will enable AOP to satisfy governance and accountability requirements of public funding whilst it awaits the arrival of the new Chief Executive. By way of further support the Minister has also announced her commitment to ensuring a sustainable future

for the organisation and has asked that a range of proposals be developed for multi-million pound capital investment to improve the organisation's outreach, education and research capabilities.

Museums and AOP Statistics - During 2015-16 the total number of visitors to National Museums' sites was 798,067 exceeding its annual target by 20%.

Challenging targets were also set this year to promote the Science, Technology, Engineering and Mathematics (STEM) agenda. National Museums achieved participation numbers of 14,515; whilst Armagh Observatory and Planetarium achieved 4,237 participants. The Observatory and Planetarium also provided free access for 271 children from 8 Special Needs Schools (some of these schools visited more than once, so there were 13 visits in total).

The Armagh Observatory and Planetarium welcomed a total of 52,204 visitors, including 87 visits from schools on the Extended Schools Register and 157 visits from schools with a high proportion of pupils in receipt of free school meals.

To ensure visitor safety DCAL contributed an additional £1.29m of capital funding for maintenance, health and safety projects at National Museums' sites. In addition the Armagh Observatory and Planetarium (AOP) received an additional £29k resource funding to assist with health and safety work. The Department also provided a total of £200k capital funding to AOP to support health & safety capital works and operational projects including £35k for I-LOFAR, £25k for ROZHEN projects and £13k towards the Swedish Solar telescope project which are collaborative science projects which will support AOP in delivering on its STEM related objectives.

DCAL provided £317k of funding to the NI Museums Council to provide an advisory and training service across the local and independent museums sector as well as to individuals or organisations interested in opening a gallery or museum, and £30k of grant funding to the Somme Heritage Centre to support with the costs of delivering its Decade of Centenaries programme.

Libraries

Public libraries are at the heart of local communities here and offer a wide range of life changing opportunities. They assist families and people of all ages to develop literacy and ICT skills for education, work and social interaction. They promote reading for pleasure, edification and fulfilment. They provide targeted services to support employability and entrepreneurship. They run programmes to enhance health and mental well-being, and offer a gateway into community life for the isolated and vulnerable.

The delivery of the public library service here is directed by the Department's 2006 Framework Policy Delivering Tomorrow's Libraries. It outlines a range of different key work areas required to improve the service and contains 15 Public Library Standards which were reviewed, updated and agreed by the Minister in July 2014. The first set of updated Public Library Standard outturn figures, covering the 2014-15 were published by the Department in March 2016.

Libraries NI was provided with a £29.9m budget (capital and resource) in 2015-16 to enable it to operate its community based services and activities at 98 branch libraries and 18 mobile libraries throughout the year. A key focus of its work continues to be around Promoting Equality and Tackling Poverty and Social Exclusion (PETPSE). Under the PETPSE agenda Libraries NI has provided in 2015-16:

- An increase in participation in 'libraries serving areas of significant social need' of 3.07%
- Rhythm & Rhyme sessions (at least 1 session per month) that have attracted 128,612 participants in 100% of its libraries
- A Quality Assured Class Visits programme for primary age children that have attracted 37,203 participants in 96% of its libraries
- One to One assistance and/or organized events to support digital inclusion that have attracted 7,311 participants in 100% of libraries
- 315 Health in Mind related activities with 4,092 participants
- 2,049 adult reader sessions with 15,644 participants
- The Summer Reading Challenge in which 14,733 children took part
- Job Clubs (with DEL and Job Assist) in 42 libraries with 4,529 participants.

Libraries NI has Service Level Agreements with both the Department of Education to support children's learning and the Department of Agriculture and Rural Development to provide services and support to rural communities. It has completed construction of Moira and Carnlough libraries, and had business cases approved for the redevelopment/construction of libraries at Lisburn Road, Belfast and Coleraine, where work will be completed in the coming years.

Over the past 18 months DCAL officials have been working closely with Libraries NI which has been developing an Outline Business Case (OBC) to review the appropriateness and effectiveness of the existing Belfast Central Library facility. The final OBC was completed in June 2015 and recommends the redevelopment of the Library on its existing site. The OBC has since been reviewed and approved by Departmental Casework Committee and is currently with the Department of Finance and Personnel for consideration/approval.

The Department has also provided grant funding to a number of smaller organisations which contribute to Departmental priorities. Recipients included the Linen Hall Library (£387k) in Belfast which is developing an ambitious programme of social inclusion projects; the Mellon Centre for Migration Studies at Omagh; the Cardinal Ó Fiaich Library and Archive in Armagh; and the NI Publication Resource.

Public Record Office of Northern Ireland (PRONI)

During 2015-16, PRONI drove forward a range of achievements which were relevant to promoting equality, tackling poverty and social exclusion. PRONI made Statutory Rules under the Public Records Act (NI) 1923 to facilitate the release of court and inquest files. PRONI continued to support the Inquiry into Historical Institutional Abuse by housing the Inquiry's research team and facilitating secure access to relevant records. It also responded positively to requests from the public for access to sensitive personal information, including by introducing a new process for conflict-related requests made under the Public Records Act (NI) 1923.

Full implementation of the PRONI Digital Repository was achieved by December 2015. The Digital Repository ensures that digital information created now can still be accessed by future generations.

Each year, PRONI makes available to the public the files of the Northern Ireland Departments and Northern Ireland Office (Belfast). During 2015-16, there were two releases, in August, 692 NI Department and NIO (Belfast) files from 1987 were made available and on 30 December 2015, PRONI released a further 620 files from 1988.

There were a record number of 22,294 visits to PRONI in 2015-16, which was well above the Departmental Business Plan target of 20,000; 3,840 of these visits were by out of state visitors. PRONI recruited 4,439 new users. PRONI held 82 public events during the year including amongst others: talks by Queen's University of Belfast on Poverty in Belfast; Irish language presentations by Foras na Gaeilge; and a series on Your Family Tree. Most of these were videoed and are available on PRONI's YouTube channel.

PRONI met a Business Plan target to record 13.5 million page views for the PRONI website and PRONI@FLICKR. During 2015-16, the PRONI website was consolidated into the NI Direct platform. This involved a complete review of all content on the former website.

Throughout 2015-16, PRONI hosted 110 group learning visits, 10 of which were in conjunction with Go Online Week. During the year, PRONI launched a new monthly

workshop service aimed at new users who were provided with familiarisation sessions on online and on-site sources.

Arts

The Department continued to develop an Arts and Culture Strategy to ensure recognition is given to the value the arts have in enriching the lives of individuals, communities and wider society. The vision for the strategy is that it will be fully inclusive and that all stakeholders including arts groups, communities and individuals play an active part in the creative development of the strategy.

The proposed Arts and Culture Strategy will be separate to the current Arts Council's (ACNI) strategy, *Ambitions for the Arts 2013-2018*, and will not replace that or any other existing strategies. Rather, it will be an overarching strategy to promote culture and arts as a valued contributor to the economic and social well-being of society. At the same time, the strategy will inform future policy direction while underpinning the value of culture and arts with cross-departmental and Executive support.

A Ministerial Arts Advisory Forum (MAAF), comprising representatives of the Arts sector from theatres, festivals, academia, festivals, cultural, disabled and youth sectors, met on a number of occasions throughout the year. The MAAF, chaired by the Chair of ACNI, was a key part of the co-design process and contributed to the development of the consultation document.

A public consultation was launched on 23 November 2015 for a period of 12 weeks following a statement to the Assembly. Over 1,700 responses were received which is an excellent response to a government consultation, with an overwhelming volume in favour of a strategy on a cross-departmental basis.

The detail of the final strategy and supporting funding mechanisms are a matter for the Minister in the Department for Communities but it is evident on the consultation findings that the decision to bring forward an overarching strategy is hugely significant and strongly supported. The consultation has put in place a firm foundation for a cross-departmental and future looking strategy for the next ten years.

DCAL provided £10.852 million resource funding in 2015-16 to ACNI. This assisted ACNI to deliver on Departmental priorities in terms of promoting equality, tackling poverty and social exclusion as well as providing support to artists and arts organisations. This was the third year of the *Ambitions for the Arts 2013-2018* strategy, which aims to drive real change with a focus on increasing access to the arts for all and tackling barriers such as poverty and social exclusion.

Some of the headline achievements for ACNI during 2015-16 included:

- Delivering two large festivals (*Nine Nights* and *World Baby Day*) through the Creative and Cultural Belfast Fund;
- Establishing a Challenge Fund for engaging and working with the new 'super' Councils to embed community arts in local community plans;
- Delivering 35 projects through the Derry Legacy Fund;
- Establishing a Challenge Fund for engaging and working with the new 'super' Councils to embed community arts in local community plans;
- Rolling out the delivery of the Creative Employment Programme (NI) with the appointed contractor, Creative and Cultural Skills Council;
- Operationalising the Creative Europe Desk as part of an expanded network of offices and specialist teams to promote the EU Creative Europe Programme (2014-2020), providing guidance and support;
- As part of *Belfast International Festival*, hosting the *Corners Showcase* of site specific and participatory based projects and events from across Europe including: Stockholm, Donostia/San Sebastián, Newcastle upon Tyne, Zagreb, Ljubljana, Rijeka, Belgrade, Gdańsk, Bari and Belfast;
- Delivering 32 *Building Peace* through the *Arts Re-Imaging Communities* projects.

DCAL continues to administer the Community Festivals Fund with £400,000 allocated to councils in 2015-16. Councils matched the funding allocated to them so £800,000 was provided in 2015-16 to support local community events with an emphasis on bringing communities together and bridging divides to make society here stronger and more integrated.

NI Screen

The Department provided £2.002 million resource funding to NI Screen in 2015-16. This funding assisted NI Screen to deliver on the key Departmental priority of promoting equality, tackling poverty and social exclusion through Creative Learning Centres (CLCs) and After School Film Clubs. Creative Learning Centres provide unique learning opportunities for children and young people, teachers, youth groups and youth workers in the creative use of digital technologies. All CLC activity gave priority to young people in disadvantaged and marginalized groups and those living in poverty.

Specific performance targets to tackle poverty and social exclusion were set in the 2015-16 year and these were based on extended schools, special schools, schools in rural areas, youth and hard to reach groups. The Creative Learning Centres in Derry, Belfast and Armagh continued to expand geographically and exceeded their target of delivering 70% of activity to areas of social deprivation across NI.

Creative Industries

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

The Department's Ministerial Action Group on the Creative Industries continued to bring together industry leaders, educators and trade bodies with interests across the diverse range of sub-sectors within the creative industries. The Action Group provides a strategic forum enabling the diverse range of sub-sectors and stakeholders across the creative industries to engage with each other and with Government in a more effective and joined up way. Collaboration between Government and industry has been enhanced and the action group has started the process of identifying key opportunities and ways to ensure that the growth of this exciting sector is maintained.

In 2015-16 DCAL and Invest NI continued to co-fund Generator NI – the music business development support programme. This programme aims to develop new markets, knowledge and networks for the local music business sector. It also seeks to foster cross-sector links within the wider creative industries. The programme supports four key strategic interventions: mentoring; market development; seminars and events; and talent development.

DCAL's promotion of Creativity Month in March 2016 provided a region-wide promotional platform for creative approaches to economic and social challenges. Highlights this year include a number of high profile conferences working with our Creative Learning Centres and interactive careers events involving a wide variety of creative industry professionals from music, design, performing arts, animation, film, make-up & photography. An extensive and exciting range of STEM/STEAM initiatives were developed and we were also pleased to support the *Royal Television Society Student Awards 2016*.

Together Building a United Community

DCAL leads on one of the seven headline actions from the NI Executive's *Together: Building a United Community* (TBUC) strategy. DCAL's headline action is the development of a *Cross Community Youth Sports Programme*. The aim of the TBUC *Cross Community Youth Sports Programme* is to enhance good relations through the transformative power of sporting and creative activity. A pilot project ran from January to March 2015 in the Lower Falls and the Greater Village areas in Belfast. In 2015-16, a second phase of the programme, which was designed in partnership with these communities, ran in these areas, building on the success of the pilot.

Through a range of stimulating sports and creative activities the programme aims to provide our young people with the values, discipline, resilience and confidence to succeed on and off the pitch and to become ambassadors and leaders in their communities.

Building on the lessons learned from the pilot, the TBUC Strategy Team has developed a methodology for rolling out the programme and this includes adding a strong rural dimension and a strategic partnership with OFMDFM's Urban Villages initiative (another TBUC headline action). Planning and recruitment is underway for a sports programme in Lisnaskea, County Fermanagh and stakeholder engagement has commenced in Colin and Eastside in Belfast with a view to beginning a programme in 2016-17.

In addition to the headline action the TBUC Team has led on the management and delivery of a wide ranging suite of TBUC strategic interventions projects to maximise geographical reach and impact on good relations and social exclusion. These interventions were aimed at improving the lives of the most vulnerable and marginalised in society e.g. homeless people and young people in care, and is an example of innovative partnership working across the DCAL Family.

The Team also led on the successful *TBUC Sports Equipment Bag Project* in partnership with Sport NI. This project provided 224 sports equipment bags to a range of community level sports clubs and organisations. A condition of receiving the bags was attendance of two volunteers at training sessions on how to use the equipment to promote good relations.

Architecture and the Built Environment

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

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

- Formal responses to 10 public consultations relevant to its field of expertise;

- 9 Design Briefings/Reviews of projects at various stages of development;
- 4 Sustainability workshops held in Lagan Integrated College;
- MAG currently leads the Strategic Design Group which comprises key stakeholders from within and outside government to guide the work of consultants commissioned by the DOE to develop urban design guidance;
- Published Papers:
 - Meanwhile Uses – July 2015;
- The MAG continues to engage with the Councils and with NI local Government Association:
 - A joint MAG/NILGA Placemaking symposium for Councils - October 2015;
 - Crumlin Ward Vision – October 2015;
 - Dervock Ward Vision – March 2016;
 - Participated with Ballymena Council who had been selected to represent the UK in five-nations collaboration to investigate best practice in European Urban Planning via Public Participation and Local Empowerment in networks of Twinning Towns (EUPLETT) – June and Nov 2015;
- The MAG, DCAL and the Strategic Investment Board continue to promote the web based consultation toolkit with MAG adding new case studies in March 2016;
- The MAG continues to engage with the Central Procurement Directorate to encourage good design in the public sector procurement;
- DCAL continues to sponsor the RSUA Design Awards as the Primary purpose of these Awards is to promote excellence in the design of our built environment with the view to making Northern Ireland a better place to be;
- MAG in partnership with Belfast Healthy Cities held seminar for “Capacity Building: Shaping Places for Healthy Lives” – December 2015.

Decade of Centenaries

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

Many of these activities have been collaborative, for example PRONI has produced a First World War travelling exhibition which Libraries NI have exhibited across 11 libraries. PRONI also worked with the Nerve Centre in hosting *Train the Trainers* events and has widened access to Decade of Centenaries material by continuing to publish online transcripts of records relating to the First World War. PRONI also developed an online Suffragette resource and made available images relating to 1916 to media companies and other parts of the DCAL Family.

In March 2016, National Museums NI opened an exhibition on the Somme and Easter Rising entitled *Remembering 1916: Your Stories*. This followed the reopening in November 2015 of the refurbished Modern History Gallery at the Ulster Museum which includes a significantly expanded section - *Home Rule to Partition* - which deals with the period 1912-22.

In October 2015 the Nerve Centre and the Community Relations Council in conjunction with Living Legacies, PRONI, NMNI and the Heritage Lottery Fund held an interactive event for community groups, youth leaders, educationists, cultural and good relations units at the Ulster Museum entitled *1916: What's it all about?* Over 250 delegates attended panel sessions on why 1916 was important, what will be happening in 2016 and educating, learning and involving young people.

Inland Waterways

DCAL manages and maintains in the region of 12km of towpath along the Lagan Navigation from Stranmillis to Sprucefield. It also has shooting rights over the foreshore of Lough Erne.

In 2015-16 DCAL provided support to a number of organisations including the Lough Neagh Partnership to continue its work promoting Lough Neagh as a cultural and recreational destination; Outdoor Recreation NI in support of its role in the strategic development, management and promotion of outdoor recreation; Lagan Valley Regional Park within which the Lagan Navigation lies; and the Lagan Canal Trust which is presently drawing up plans for the potential re-opening of the 27 miles of the Lagan Navigation from Lough Neagh to Belfast Harbour.

Waterways Ireland

2015-16 was the second year of Waterways Ireland's 3 year Corporate Plan and focused on broadening the range of activities along the waterways and increasing their use.

Key achievements over the period included:

- 35 events in the north were offered sponsorship via the *Sponsorship Programme*. The sponsored events attracted thousands of participants and spectators, generating income for local businesses and communities. Joint marketing initiatives such as the *Lakeland and Inlands Waterways Programme*, in partnership with Fáilte Ireland, Tourism Ireland and Fermanagh Lakeland Tourism continued work to promote the inland waterways for tourism.
- 6 new commercial operations were licensed to operate on the inland navigations; three outdoor activity providers; a passenger vessel; a barge hire operation; and an IT workspace barge offering desk and meeting room rental.
- Collaborative work is ongoing with communities along each of the seven waterways to create development opportunities. This included meetings with Lough Neagh Partnership and TIDAL (Toome Industrial Development & Amenities Ltd) regarding redevelopment of Toome Lockhouse for community use.
- In-house fabrication of lock gates on the Lower Bann achieved cost savings of €60,000.
- Environmental report was completed and work continues on the completion of the business case for hydro-electric generation at Carnroe Weir.
- Waterways Ireland worked with the Lakeland and Inland Waterways Partnership to deliver infrastructural enhancements and collaborative development opportunities along the inland waterways.
- The Archive Collection was further enhanced by a donation of a unique photographic collection from the inland waterways historian Ruth Delany. WI intends to catalogue and digitise the collection for publication on a website module for its Archive.

North/South Language Body

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

In order to support Ulster-Scots heritage cultural and language activities in 2015-16 the Ulster-Scots Agency provided grants of approximately £1.27m to a wide range of community and voluntary groups. Key achievements during 2015 included:

- Provision of support for 22 summer schools which catered for 1000 young people throughout the north and the border counties;
- Support for 30 after-school clubs that provided a variety of cultural and linguistic opportunities and 12 community festivals;
- Support for 20 primary schools to work towards securing Ulster-Scots Flagship School status; 11 schools awarded Flagship Status during 2015, 6 schools awarded Flagship Status early 2016, 20 schools signed up to complete the Starter Programme during 2015 and 17 Schools signed up for 2016 Starter Programme;
- The delivery of piping and drumming tuition, with 236 students awarded certificates in June 2015;
- The Juvenile Pipe Band performed at 18 events and took part in 7 competitions.
- Promotion of the Ulster-Scots connection with the Bruce story at the Bruce Festival, Carrickfergus (May) and at the Trinity College Dublin Symposium (September); launch of the Bruce Exhibition, Booklet and Heritage Trail as part of the Bruce Festival 2015;
- Publication of Paul Pollock's *War in July* at the Linenhall Library as part of the Somme Commemoration events;
- Launch of *Scotch Town* language publication and exhibition as part of Community Relations week (September);
- A Burns Night concert with Ulster Orchestra (January);
- Promotional activity at the Tall Ships event (July), the NI Countryside Festival (June), and the Dalriada Festival (July);
- Support for Cockle Row Cottages (June - Sept), St Andrew's Day at Carrickfergus Castle (November) with Mid and East Antrim Borough Council.

During 2015-16 progress was made in a number of areas within Foras na Gaeilge which included:

- the advertising of a new round of *Scéim Phobail Gaeilge 2016-2020*, which promotes the use of Irish at community level;
- the first full year of successful operation of the new funding arrangements, approved by the North/South Ministerial Council in July 2013, involving the six new lead organisations, with ancillary arrangements for community radio and *an tÁisaonad*. This was achieved by new monitoring arrangements and by meetings of the Partnership Forum and the Language Development Forum which provided representative input from across the entire Irish language sector;
- the addition in December 2015 of 6,000 new entries to the website of the online English-Irish Dictionary www.focloir.ie thus making 90% of the material available, free of charge to the public;
- the joint publication in August 2015 with the Economic and Social Research Institute (ESRI) of *Attitudes towards the Irish Language on the Island of Ireland*, the most comprehensive all-island survey of attitudes to, ability in and use of the Irish language ever published;
- the exploration of issues of language and identity by means of a series of articles in both the English and Irish languages in print and on-line media. A highlight was a supplement published with *The Irish Times* exploring the linguistic legacy of the events of 1916.
- The publication of other research material such as the *Guidance Document: Irish language services in the new Councils*, compiled by Foras na Gaeilge as part of its remit to advise the public sector in Northern Ireland, and a *Research Report on New Irish Speakers* funded by Foras na Gaeilge and compiled by John Walsh, Bernadette O'Rourke and Hugh Rowland as part of a pan-European research project.

Other Linguistic Initiatives

In December 2015, the Department published a report of its public consultation on proposals for an Irish Language Bill. The consultation, which took place between February and May 2015, attracted almost 13,000 responses, of which 95% registered their support for Irish language legislation.

In March 2016, the Department published two reports on the 20-year strategies for the Irish language and for Ulster-Scots language, heritage and culture, which detailed the significant progress that has been achieved in the first year since their launch in January 2015.

Since being established in March 2011, almost £4 million has been invested through the Ministerial Advisory Group (MAG) Ulster-Scots Academy and 86 projects supported across the three work streams of language and literature, education and research and history, heritage and culture. The MAG Ulster-Scots Academy has also developed as part of its remit a shortlist of options and a preferred proposal for the creation of a physical Ulster-Scots Academy to maximise the social, economic, community and cultural benefit of Ulster-Scots. The Minister for Culture, Arts and Leisure intends to conduct a public consultation to ensure that the public and stakeholders will have their say on what the Academy will seek to achieve.

Ulster-Scots Institute

In March 2016, the DCAL Minister announced that she had considered the proposals brought forward by the Ulster-Scots Agency in relation to the creation of an Ulster-Scots Institute. The proposals are set within the context of the *Strategy to Enhance and Develop the Ulster-Scots Language, Heritage and Culture 2015–2035* which was published last year. The new Institute will align closely to the Strategy and also build upon the achievements of the Ministerial Advisory Group. The new Ulster-Scots Institute will be a not-for-profit company with charitable status. It will become part of the Ulster-Scots Hub and will be located at the Corn Exchange in the Cathedral Quarter of Belfast. This is the most cost effective location as it will maximise opportunities for the sharing of resources with the Ulster-Scots Agency.

Its functions will concentrate on the areas of research and community engagement and will build the knowledge base associated with Ulster-Scots by undertaking research in relation to all aspects of Ulster-Scots language, heritage and culture. Work is now ongoing to get the Institute established before the end of 2016.

Gaeltacht Quarter Programme

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

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

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

During 2015-16 the funded Irish language development staff in *Forbairt Feirste* in the heart of the Gaeltacht Quarter. Funding was also provided to celebrate and promote the history of the Quarter through publications and archives being made available to the public and visitors to the area.

In December 2013, DCAL provided funding for the new handball building in the grounds of *Coláiste Feirste*, the Irish-medium secondary school. Phase 1 of this project has now been completed. A number of other capital projects such as *Líonra Uladh* (new premises for Raidió Fáilte) and *Aras na bhFál* (Irish language learning hub at the junction of Broadway and Falls Road) which make up the Gaeltacht Quarter programme are currently going through approvals stage. The *Aras na bhFál* project is due to commence in summer 2016.

The Department, along with Belfast City Council and the Irish language organisation *An Ciste*, have provided capital funding for the refurbishment of the *Cumann Chluain Ard* Irish language community and educational centre. The £750,000 redevelopment scheme will completely refurbish *An Cumann Chluain Ard* and help ensure it continues to lead the way in teaching Irish to adults and contributing to Belfast's fast growing urban Gaeltacht.

Irish Language Academy

In March 2016, the DCAL Minister also announced her proposals for an Irish Language Academy. This decision was based on a scoping and consultation exercise on the Irish Language or *GaelAcadamh Project*. The study made six recommendations which put the emphasis on community, economic development and on making sure that adequate pathways are available to further study and employment through the Irish language. Work is now ongoing to further develop plans for an Irish Language Academy.

Sign Language Partnership

In 2015-16 the Department, through its *Sign Language Partnership Group* funding, supported a range of projects to improve access to services for deaf sign language users and their families such as consultations and sign language taster sessions with health and social care staff and legal services staff. A British Sign Language (BSL) translation of the NI driving theory test was also funded. Through continued funding in to its second year to the School of Education at University of Ulster the project to promote sign language and deaf awareness across the university's campuses and some schools across the north continued to support for the development of 15 deaf sign language teachers studying for their PGCE accreditation.

Departmental funding to the School of Medicine at Queen's University will enable development of the Deaf Awareness and Basic Sign Language courses taught to student doctors to be expanded to other healthcare professionals and the development of online sign language resources to support healthcare professionals' interaction with deaf patients. The first concurrently run DCAL funded BSL level 1 and 2 classes for parents of deaf children were completed in March 2016.

In addition, the Department increased its provision of free sign language courses and qualifications to deaf children and young people, children of deaf adults and parents and family members of deaf children. Forty primary schools across counties Antrim and Down received deaf awareness and BSL taster classes. For the first time a project to promote Irish Sign Language (ISL) in order to support the older generation of ISL users was delivered, initially in Greater Belfast, but due to demand was delivered in Ballymena also.

In Derry, Departmental support for older BSL and ISL users through Foyle Sign Language Centre continued to provide social, health and educational events and courses.

On 15 March 2016, the DCAL Minister launched the public consultation of the *Sign Language Framework* which includes proposals for legislation to officially recognise, promote and protect both ISL and BSL and to provide support for the parents and families of deaf children, as well as deafened individuals and their families. The consultation period will end on 4 July 2016. This is the first time for such a public consultation to be carried out with ISL and BSL as primary languages of communication alongside English. The Department has worked with the Deaf community to deliver ISL and BSL translations of all consultation documents and has set up and funded a Facebook page to encourage the maximum participation of the Deaf community through the visual languages of ISL and BSL.

S75 Equality Duty

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

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

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

Disability Duties

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

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

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

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

Equality and Good Community Relations

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

The Department is represented on the Inter-Departmental European Working Group dealing with maximising European engagement and on collaborating to deliver on the Programme for Government 2011-15 target in relation to increasing competitive EU drawdowns by 20%.

During 2015-16, the Arts Council was successful in securing almost £300k of competitive EU funds from the *Creative Europe* programme. This funding is supporting the following projects:

CORNERS – overall this project is worth £2.5m project and receives 50% support from the culture sub-programme of the *Creative Europe* funding stream. The Arts Council's share of this is £208k with £123k own funding and £85k from *Creative Europe*. *CORNERS* is a platform for artists and audiences and its objective is to enable artistic exchange across geographical, political and economic divisions;

- Nerve Centre – *Future Artist-Maker Labs* which aims to harness the creative power of three leading *Fab Labs* in Derry-Londonderry, Limerick (University) and Madrid (Ultra-Lab);
- University of Ulster – *Ceramics and its Dimensions*. This is an international project which focuses on ceramics in Europe from both the perspective of the past and future. The project intends to show the variety of purposes ceramics have and how they can be used;
- Prime Cut Productions – *EU Collective Plays*. A collaborative international project which will deliver quality, contemporary, international theatre across Europe and aiming to showcase NI talent on a European stage;
- Queen's Film Theatre – *Europa Cinemas*. This project supports an international network of cinemas who work in partnership to showcase and circulate European films;
- Italic Pig – Video Games Support. This project provides support for the early development of video games specifically targeted at young audiences with a strong narrative component;
- Dearcan Media – TV Programming. This project is supported by the *MEDIA* sub-programme of *Creative Europe* and will provide support to Dearcan Media to help launch TV projects with a European dimension and which nurture new technologies;
- Sixteen South – *Slate Support*. This project is supported by the *MEDIA* sub-programme of *Creative Europe* and will support Sixteen South in the creation and production of compelling television for children to be distributed on local networks and on networks across Europe.

Research & Statistics

DCAL's Research & Statistics Programme for 2015-16 saw the Department produce a wide range of publications across all aspects of the department's sport, arts and culture remit. These publications contribute towards a sound evidence base for policy development and review. All publications are available in the Research and Statistics area of the departmental website: <https://www.dcalni.gov.uk/topics/research-and-statistics>.

Asset Management

Asset management involves the development, implementation and maintenance of DCAL's Asset Management Plan and the Northern Ireland Executive's Asset Management Strategy (AMS), which was approved in June 2013. The Departmental Asset Management Plan and the Asset Management Plans of its ALBs reflected the AMS proposals for tackling fragmentation which exists across government in the management of office accommodation and surplus lands.

The Department's Asset Management Plan for 2015-16 was approved by the Departmental Board in January 2016. The Plan contains a review of current property assets, analysis of running costs and a two tier list of asset management actions for the Department and its ALBs.

The Department places responsibility on its senior managers for effective asset management, given the financial impact this has on the Department. ALBs and branches with property portfolios have responsibility for the efficient and effective management of those assets and are required to produce an Annual Asset Management Plan covering those assets within their area of operations. The Department's Director of Finance has overall responsibility for the delivery of the Asset Management Strategy and the Departmental Asset Management Plan.

Sustainability Report

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

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

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

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

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

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

Sustainability Report continued

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

- (i) From May 2014, The RSUA Design Awards include a new Public Works Award introduced by DCAL;
- (ii) In 2012 the Ministerial Advisory Group (MAG) for architecture and the built environment participated in the public consultation for Colin New Town centre. Working with Colin Neighbourhood the MAG ran a pilot transport initiative to connect people and places previously not served by public transport;
- (iii) Business cases require the consideration of economic and social sustainability. Extensive social opportunities have accompanied the investment in the Regional Stadia Programme;
- (iv) Post Project Evaluation reports for major capital projects require the consideration of environmental impacts;
- (v) Extensive social opportunities have accompanied the investment in the Regional Stadia Programme. These include employment opportunities during construction, significant community and leisure facilities, and education and heritage centres located in or adjacent to the stadiums.
- (vi) Sustainable development is one the guiding principles which underpin the Architecture and Built Environment policy. Through good stewardship and design buildings and of places contribute to social, environmental and economic objectives;
- (vii) During design and briefing reviews the MAG encourages Project teams to consider sustainable development;
- (viii) Compliance with the Carbon Reduction Commitment Energy Efficiency Scheme;
- (ix) Facilitating staff in working from home;
- (x) Promoting public transport and car sharing while reducing car parking;
- (xi) Promoting the Cycle to Work scheme and the Tax Smart scheme (to encourage staff to use public transport).

Financial Commentary

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2015-16 £'000	2014-15 £'000
Net Resource Outturn (Estimates)	116,993	138,262
<i>Adjustments to remove:</i>		
Prior Period Adjustment*	-	(49)
Transfer of Assets: Capital Grant	178	-
<i>Adjustments to additionally include:</i>		
Consolidated Fund Extra Receipts in the SoCNE	(196)	(4)
Net Operating Cost (Accounts)	116,975	138,209
<i>Adjustments to remove:</i>		
Capital Grants	(15,612)	(24,287)
Grants-in-aid payable to Non Departmental Public Bodies	(76,037)	(88,914)
Notional Charges	(1,964)	(1,995)
Transfer of Assets: Capital Grant	(178)	-
<i>Adjustments to additionally include:</i>		
Resource Consumption of Non Departmental Public Bodies	88,631	88,598
Resource Budget Outturn (Budget)	111,815	111,611
Of which		
Departmental Expenditure Limits (DEL)	102,338	104,480
Annually Managed Expenditure (AME)	9,477	7,131

*a prior period adjustment was made in 2014-15 in order to correct input VAT claimed on expenditure.

Comparison of Outturn against Estimate

As disclosed in the Statement of Assembly Supply the total Departmental budget for 2015-16 was £120,066k. Actual net expenditure incurred during the year was £116,993k. The major variances were in respect of:

1 Arts: Towards the end of the year the Department authorised increased spending beyond the budget in this area to offset anticipated underspends of budget arising elsewhere.

2 Sports: The Department permitted re-allocation of anticipated underspends in this function to areas requiring additional budget cover at year end.

3 Cultural Policy: The Department permitted re-allocation of anticipated underspends in capital grants to areas requiring additional budget cover at year end.

4 Language Body Departmental Overheads: The budget allocated to this function in relation to the Voluntary Exit Scheme was in excess of the final requirement.

5 Waterways Ireland Departmental Overheads: The budget allocated to this function in relation to the Voluntary Exit Scheme was in excess of the final requirement.

6 Provisions: The amount of budget cover allocated was based on estimated expenditure and has returned a small underspend.

7 Revaluations: Indices at year end determined that asset values had not decreased to the level anticipated.

8 Northern Ireland Library Authority: The reduction in cash requirement is due to creditors at year end being higher than estimated.

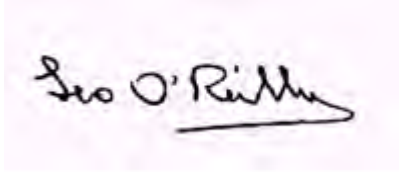
9 Northern Ireland Museums Council: Towards the end of the year the Department authorised increased spending beyond the budget in this area to offset anticipated underspends of budget arising elsewhere.

Policy on Payment of Suppliers

The Department is committed to the payment of all invoices not in dispute within agreed contractual provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). In the year ended 31 March 2016, 99% (2014-15: 99%) of invoices were paid within these limits. 97% of invoices were paid within 10 days (2014-15: 97%).

Cost Allocation and Charging Requirements

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

A handwritten signature in black ink on a light pink background. The signature reads "Leo O'Reilly" in a cursive style, with a horizontal line underneath the name.

Leo O'Reilly
Accounting Officer
27 June 2016



Accountability
Report

Corporate Governance Report

Directors' Report

Minister

On 16 May 2011 Carál Ní Chuilín MLA was appointed as the Minister for the Department. Her Ministerial salary and allowances are paid by the Northern Ireland Assembly and have been included as a notional cost in this resource account. Details of her Ministerial salary, allowances and other benefits are given in the Staff Report on page 98. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

Permanent Secretary of the Department and Departmental Board

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

Denis McMahon	Permanent Secretary
Ian Maye	Deputy Secretary (from 1 September 2015)
Cynthia Smith	Deputy Secretary (to 31 January 2016)
Maggie Smith	Acting Deputy Secretary (from 4 January 2016) Director, PRONI (to 3 January 2016)
Arthur Scott	Director, Culture Division
Patricia McAuley	Director, Culture Division (from 1 September 2015)
Fergus Devitt	Director, Sport, Museums and Recreation Division
David Carson	Director, Corporate Services Division (to 30 March 2016)
Joanna McConway	Acting Director, Capital Portfolio Division (from 29 June 2015)
Aidan Cassidy	Acting Director, Business Change
Michael Willis	Acting Director, PRONI (from 1 February 2016)
Rory Miskelly	Director of Stadiums Programme (to 24 November 2015)
Jacqueline Fearon	Director of Stadiums Programme (from 4 January 2016)
Marie Mallon	Non Executive Director
John West	Non Executive Director

Corporate Governance

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

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

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

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

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

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

Further detail on corporate governance arrangements and risk management are contained in the Governance Statement section of this Report (pages 64 to 86).

Public Interest and Other Matters

Register of Interests

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

Financial Liabilities

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

Pension Liabilities

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

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

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

Further information on the Department's pension responsibilities can be found in the Remuneration and Staff Report.

Reporting of Personal Data Related Incidents

The Department's Information Asset Owners continue to manage the risk for all personal data assets held by the Department. The Department's assessment of risk indicates that the current risk is low. One data breach occurred in the year relating to two Inland Fisheries Group hard copy documents. The Information Commissioners Office was informed on 13 April 2016. One individual was affected, has been notified and was content with the action taken by the Department. There was an incident arising from the Líofo website which is hosted externally. This incident is being addressed and the Information Commissioner has been informed. The Minister made a statement to the Assembly about the incident on 18 November 2014.

Disclosure on Complaints Handling

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

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

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

http://www.dcalni.gov.uk/complaint_handling_-_mpso_-_revised_service_standard_complaints_procedure_10-03.pdf

During 2015-16, DCAL dealt with 18 complaints (2014-15: 16).

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

Auditor

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

The audit of the financial statements for 2015-16 resulted in a notional audit fee of £65,000 (2014-15: £65,000) which is included in the administration costs in the Statement of Comprehensive Net Expenditure. The Comptroller and Auditor General may also undertake other statutory activities that are not related to the audit of the body's Financial Statements such as Value for Money reports. During the reporting period, no VFM Reports were published.

There was no non-audit work undertaken by the auditors during the 2015-16 financial year. The cost to the Department was £nil (2014-15, £1k).

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

Important events which have occurred since the financial year end

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

Future Developments

The Stormont House Agreement contained a commitment to reduce the number of NICS departments from 12 to 9 following the Assembly election in May 2016. The names and high level functions of the new departments have been agreed by Ministers and details can be found in the Departments (Transfer of Functions) Order (Northern Ireland) 2016. It is anticipated that staff working in the affected areas will move with the function. The 9-departmental model constitutes a Machinery of Government change and the functions of the Department of Culture, Arts and Leisure will transfer to the Department for Communities, the Department for Agriculture, Environment and Rural Affairs and the Department for Infrastructure in May 2016.

The Accounting Officer for the Department of Communities has been designated to authorise the 2015-16 Annual Report and Accounts for the Department of Culture, Arts and Leisure.

Statement of Accounting Officer's Responsibilities

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

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department of Culture, Arts and Leisure, 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 Government Financial Reporting Manual prepared by DFP, and in particular to:

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

DFP has designated the Permanent Head of the Department for Communities as Accounting Officer of the Department of Culture, Arts and Leisure.

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

Governance Statement

1. Introduction and Context

The purpose of this Statement is to attest to the effectiveness of the governance arrangements of the Department of Culture Arts and Leisure (DCAL) that supported the achievement of the Department's policies, aims and objectives.

It sets out the governance structures, risk management and internal control procedures that operated within DCAL during the financial year 2015-16 and accords to DFP guidance. The following statement, whilst primarily focusing on the Department, incorporates issues within its 8 Arm's Length Bodies (ALBs) and 2 North/South Implementation Bodies (N/S Bodies), which deliver services directly to the public. Each ALB publishes its own individual Governance Statement (GS) within their published annual report and accounts (excluding N/S Bodies who continue to prepare Statements of Internal Control (SIC)).

Activities this financial year were undertaken in a period of significant change. DCAL ceased to exist from 8 May 2016 and functions transferred to the Department of Communities, the Department of Agriculture, Environment and Rural Affairs and the Department of Infrastructure.

2. Scope of Responsibility

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

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

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

The Accounting Officer combines this role with their responsibilities to the Minister; which include providing advice on the full range of departmental functions including the allocation of departmental resources and the setting of appropriate financial and non financial performance targets for ALBs.

Each ALB has a designated senior official who acts as Accounting Officer for their organisation and whilst the Departmental Permanent Secretary has a duty to satisfy themselves that the Department's ALBs and N/S Bodies have adequate systems and procedures in place to promote the efficient and economical conduct of its business and to safeguard financial propriety and regularity, they also rely upon assurances received, formally or otherwise, from the Accounting Officer of each ALB and the Chair of the Board (with the exception of Waterways Ireland which does not have a Board).

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

The 'Corporate Governance in Central Government Departments Code of Good Practice NI 2013' (the Code) seeks to promote good corporate governance within Departments by focussing on a number of key principles of good governance.

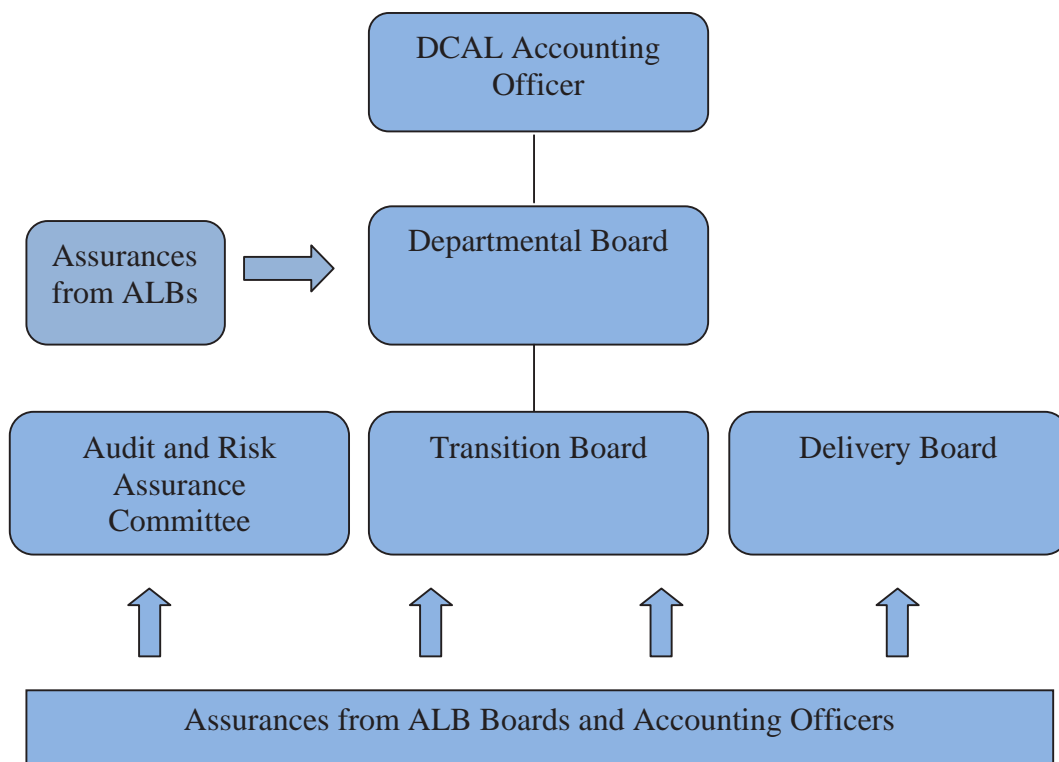
In 2013-14 the Department undertook a review of compliance with the Code to establish how closely the Department applies the principles of good practice. At that time the results of the review showed the Department was largely compliant, however there were a number of areas that required strengthening. In the 2015-16 year the only areas where attention is still required are as follows:

- Board Operating Framework (BOF) – Schedule of Delegations, Mechanisms for Feedback & a De-minimis Threshold - the BOF was revised in September 2014 to include a schedule of agreed delegations to Committees of the Board. The BOF was further revised in April 2015 to reflect a streamlined Board Committees structure, comprising the following committees: Audit and Risk Assurance; Transition; and Delivery. As part of this re-structuring arrangement, the Board agreed that feedback and assurance would be formally provided to it by way of the following:
 - Audit and Risk Committee - an update paper summarising each Audit and Risk Assurance Committee meeting
 - Transition Committee - issues would be brought to the Board's attention by way of a monthly update.
 - Delivery Committee - matters would be brought to the Board's attention via formal business plan monitoring and quarterly ALB monitoring reports.

4. Governance Framework

The Accounting Officer functions with the support of the Board of the Department, its Committee and the Senior Management Team. In February 2015 the Departmental Board agreed that the Human Resources Committee, Stadium Programme Board, Finance Committee and ICT Governance Board could all continue operating without being formal Departmental Board Committees. By this stage PETPSE had been successfully mainstreamed into all Departmental delivery and the PETPSE Board was therefore dissolved.

In April 2015 the structure was further reviewed in light of the departmental restructuring exercise ongoing across the NICS. Two new sub committees were formed – the Delivery Board and the Transition Board. Therefore the structure which applied throughout 2015-16 was:



5. Departmental Board and Committees

The strategic aims and policies for the Department are set by the Minister. The Board represents the collective corporate and executive leadership within the Department, and also has the experience and contribution of two Independent Board Members. Its composition is comparable to other NICS Departmental Boards. The Board supports me as Accounting Officer in directing the business of the Department as effectively as possible to achieve the objectives and priorities set by the Minister and the Department's statutory obligations. The Board sets the strategic direction for the Department and closely monitors the Department's progress in the achievement of key objectives and priorities set out in the Departmental Business Plan, the performance of all of the Department's arm's length bodies, and progress with transition to new departmental structures.

The Board continued its programme of meetings at its arm's length bodies, with meetings held at the Ulster-Scots Agency and Waterways Ireland. Each of these meetings provides Board Members with an opportunity to meet staff and the meetings feature a presentation on the work of the arm's length body and strategic issues faced.

Throughout 2015-16, the Board received quarterly updates from the ARAC, monthly reports on finance, personnel and transition matters, and regular updates on the Regional Stadiums Programme. This was in addition to monitoring of progress against Business Plan targets and quarterly performance updates from all of the Department's arm's length bodies. The Board formally scrutinised the Corporate Risk Register every quarter and each month considered whether any additional risks should be added to it.

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

A Board Effectiveness Review, conducted by an external facilitator, was carried out in March 2015 to examine the Board's effectiveness, and operation and how effectively it discharges its responsibilities. This review concluded that the Board is fulfilling its governance requirements albeit a small number of areas where effectiveness could be enhanced were identified.

While occurring just before the commencement of the reporting period, this exercise was significant for the Board's operations in 2015-16 insofar as it informed the Board's approach to managing its strategic direction and oversight responsibilities in the context of this year's transition to new departmental structures.

In January 2016, an externally hosted workshop on governance and accountability was held for the Board. The workshop focused on recent trends and developments in public sector governance.

Audit and Risk Assurance Committee (ARAC)

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

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

During the 2015-16 financial year, the ARAC advised the Board on the following significant areas:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- the adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the risk management framework and processes and corporate governance requirements for the organisation; and
- anti-fraud policies and raising concerns (previously whistle-blowing) processes.

The Chair of the Departmental Audit Committee presented his annual report to the DfC Accounting Officer and DCAL ARAC on 21st June 2016 which highlighted the following:

Based on information received and challenges made the ARAC is content that adequate and reliable assurances have been provided from the work carried out in 2015-16 by the ARAC (detailed below) and that these assurances are sufficient to support the Departmental Board and Accounting Officer in their accountability obligations:-

- The Committee considered the quarterly Corporate Risk Register, specific risks associated with budget cuts and the transition programme and considered a revised risk management framework;
- The Committee considered a revised Conflicts of Interest policy, providing advice on its practicability;
- The Committee considered proposed changes flowing from the 2015 Review of Governance project;
- The Committee reviewed progress and management responses on Internal and External Audit recommendations, determining whether remedial action was required;
- The Committee considered the work performed by Internal Audit in line with the Audit Plan and Strategy and the opinions that ensued;
- The Committee considered significant control and other issues emanating from the Bi Annual Assurance Statements.

The Delivery Sub-Committee

The Delivery Sub-Committee oversees and drives forward DCAL's work programme to ensure timely and effective delivery of the Department's strategic priorities during this transition year. It has worked closely with the Business Planning Unit within the Department to develop an overall programme of work that has helped to deliver on Ministerial priorities in line with the Department's vision in 2015-16. This Board is chaired by the Permanent Secretary, comprises the Senior Management Team and an independent Board Member and meets on a monthly basis.

Over the year the Delivery Sub-Committee led on:

- Devising a Departmental programme of work to cover all strategic programmes;
- Identifying and agree key milestones for each major programme of work;
- Monitoring performance;
- Identifying resource requirements; and
- Providing corporate leadership of the delivery of DCAL's business plan.

The Transition Sub-Committee

The Stormont House Agreement included a commitment to reduce the number of NICS departments from 12 to 9. One of the three departments to be dissolved will be DCAL with its functions being split and subsumed into three new Departments. The Transition Sub-Committee's responsibilities include setting the strategic direction for the Departmental Transition Programme and ensuring coherence in the process; developing, promoting and overseeing the implementation of the overall NICS transition process; providing support to the NICS programme which reports to the Permanent Secretaries Group; and ensuring that all Departmental functions being transferred are fit for purpose on "day 1" of operations under the new departmental structures. The Transition Board is chaired by the Permanent Secretary and comprises members of the Senior Management Team and an independent Board Member. It meets on a monthly basis.

Over the year the Transition Sub-Committee led on:

- Setting the strategic direction for the Transition Programme;
- Developing, promoting and overseeing the overall NICS Transition process;
- Providing assistance to Department led projects in the transition programme;
- Monitoring performance;
- Identifying resource requirements; and
- Providing corporate leadership of the Transition process.

Other Committees & Forums

The Department has a number of other Committees that are not considered formal committees of the Board. They do however report to the Board when necessary. These include:

Finance Committee - its role is to consider key strategic finance issues impacting the Department and through this process assist and enhance strategic financial management and financial decision making.

Stadium Programme Board - the Regional Stadium Development Programme is a key capital development priority for the Department incorporating the redevelopment of Windsor Park,

Casement Park and Kingspan (Ravenhill). The delivery of the stadium programme is overseen by the Stadium Programme Board (SPB). The SPB provides clear lines of accountability and roles and relationships within the programme and provides advice and assurance to the Programme Senior Responsible Owner (SRO).

Information Communication and Technology (ICT) Board - the Departmental ICT Governance Board's objective is to identify and prioritise ICT requirements across the Department. It is responsible for the oversight of the Department's ICT and for Information Management including those services provided by IT Assist and DRD Information Services Branch (ISB).

Safeguarding Forum – this was established with the aim of improving the safeguarding arrangements for those vulnerable groups participating in culture, arts and leisure. The Forum acts as a co-ordinating group for raising awareness and implementation of safeguarding policy development and legislative developments affecting DCAL and its ALBs. Membership consists of the Department, its ALBs, Safeguarding Board NI, DHSSPS, NSPCC and Volunteer Now.

ALB Internal Audit Forum – the purpose and anticipated benefits of the Forum are the promotion of greater understanding of the assurance needs/issues within the Department and its ALBs; enhanced understanding of respective governance issues; alignment of assurance provision between the Department and its ALBs; maintenance of constructive working relationships; the promotion and sharing of best practice in Internal Auditing; and the consideration of future developments within Internal Audit.

Human Resources Committee – the purpose of this Committee is to consider and address departmental resourcing and personnel issues to ensure the Department can deliver against its key priorities.

Membership & attendance of the Departmental Board and its Committees.

Board Member				
	Departmental Board	ARAC	Transition Sub-Committee ⁴	Delivery Sub-Committee ⁴
Denis McMahon Permanent Secretary	7/11	4/4	8/9	7/9
Cynthia Smith ¹ Deputy Secretary (Vice Chairperson) To 31/01/16	6/8	3/3	6/9	5/9
Ian Maye Senior Responsible Officer Stadiums Programme from 01/09/15	5/7	N/a	4/9	2/9
David Carson Director of Finance and Corporate Services	9/11	4/4	7/9	5/9
Fergus Devitt Director of Sport, Museums and Recreation	7/11	N/a	8/9	5/9
Maggie Smith Director and Deputy Keeper of the Records (PRONI) to 3/1/16 Deputy Secretary from 04/01/16	8/11	0/1	5/9	3/9
Arthur Scott ² Director of Culture to 14/07/15	3/5	N/a	2/9	1/9
Patricia McAuley Director of Culture from 01/09/15	5/7	N/a	7/9	6/9
Rory Miskelly Acting Director of Stadiums Programme ³ to 24/11/15	1/7	N/a	N/a	3/9
Aidan Cassidy Acting Director of Business Change	6/11	N/a	9/9	7/9
Joanna McConway Director of Capital Portfolio from 29/6/15	7/8	N/a	5/9	3/9
Michael Willis Director of PRONI from 01/02/16	1/2	N/a	1/9	N/a

Jacqueline Fearon Director of Stadiums Programme from 4/01/16	2/3	N/a	N/a	N/a
John West Independent Board Member and Chair of the ARAC	11/11	3/4	2/9	5/9
Marie Mallon Independent Board Member and member of the ARAC	11/11	4/4	7/9	N/a
Ciaran Doran Independent Member of the ARAC	N/a	4/4	N/a	N/a
Heather Cousins Independent Member of ARAC	N/a	2/4	N/a	N/a

¹Cynthia Smith retired on 31/01/16

²Arthur Scott was seconded to Sport NI as Interim Chief Executive from 15/07/15

³Rory Miskelly, an SIB Advisor, left his appointment as Stadium Programme Director on 24/11/15

⁴The Transition and Delivery Sub-Committees first met in June 2015.

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

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

6. Conflicts of Interest

The Code requires the publication of identified actual and potential Board Member conflicts of interest within the annual governance statement and how these have been managed. Conflicts of interest are identified via the requirement to declare actual and potential conflicts on induction to the Department and as and when they arise. Board and ARAC members are also required to declare any conflicts of interest at the start of each meeting. After declaration consideration is given to what action is needed to ensure they are managed appropriately. In 2015-16 those interests declared that were deemed at risk of being perceived as conflicts of interest included an interest in relation to the Director of Finance and Corporate Services, who disclosed a family relationship by marriage with a member of Waterways Ireland's senior management team, and interests in relation to the Stadium Programme Director and their previous employment and role of a close family member. This has been disclosed in note 19 of the accounts which details related party transactions. As a result of weaknesses in dealing with conflicts of interest identified by the NIAO and an investigation by Internal Audit and the publication of NIAO's Good Practice Guide for Dealing with Conflicts of Interest the Department carried out a review of its conflict of interest policies and procedures and made a number of changes to strengthen procedures. This was approved by the Board at the March meeting. See page 85 for more details.

7. Raising Concerns (Whistleblowing)

An important aspect of DCAL's Governance Framework is the ability for staff or members of the public to raise concerns regarding unlawful conduct, fraud, a danger to the public or environment or other serious malpractice. To allow concerns of this nature to be raised the department has a 'Raising Concerns' policy and procedures in place which detail all the available reporting avenues. The Department welcomes and values all information regarding potential wrongdoing and takes each and every concern very seriously and ensures they are investigated appropriately and thoroughly.

The Department has experienced an increase in the number of raising concerns cases reported in 2015-16 compared to previous years. This provides a level of assurance that staff and members of the public have an awareness of and a confidence in the Department's policy and procedures.

8. Ministerial Directions

During 2015-16 there was one Ministerial Direction. The Department began the year with an insufficient budget allocation for its Regional Stadiums' Programme. On 14 September 2015, the Minister issued a Direction to the Permanent Secretary to continue spending, if necessary, in excess of this budget allocation in order to honour contractual commitments, mainly in connection with the Windsor Park Project. On 28 September 2015, additional budget was provided for the Programme and the Direction therefore lapsed.

9. Risk Management

Risk Management Framework

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

The Department undertakes risk management by identifying and assessing risks to the achievement of Departmental objectives and then responding to them in line with the Department's risk appetite. The Departmental risk appetite used in 2015-16 was set during a risk planning exercise in March 2015. The risk appetite is the extent of exposure to risk that the Department has judged as tolerable. The current risk appetite reflects the fact that the Department positions itself to take decisions that maximise the potential to achieve the Department's objectives while appropriate steps have been taken to minimise negative impacts.

Risk registers capture all relevant information on risks – the Department maintains risk registers at branch, divisional and corporate levels and adopts an escalation methodology informed by the significance of the risk. The corporate risk register is regularly scrutinised by

the Board and decisions are made regarding the appropriateness of existing risks and whether new risks need to be captured. The Board also considers the controls that are operating to manage each risk and whether more mitigating action needs to be taken in order to ensure each of the risks are managed to an appropriate level.

In 2015-16 the corporate risk register was formally reviewed by the Departmental Board on a quarterly basis, with a standing item remaining on the Board agenda in interim months to allow risk related issues to be raised if necessary.

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

Sponsorship Risk

In line with Managing Public Money Northern Ireland the Department adopts a system of assessing risk presented by each of its Arm's Length Bodies and N/S Bodies. This allows the Department to appropriately manage these risks by applying a proportionate sponsorship approach informed by the risk rating calculated. A review of the Department's ALB risk assessment methodology was undertaken by Internal Audit, and a report issued in September 2011 which gave substantial assurance. Since then the risk assessment process has been considered as part of a 'review of governance' project completed by the Department in early 2014 and another review conducted in 2015. As a result it was agreed that previously completed full risk assessments are refreshed rather than re-performed with a view to determining whether the overall risk rating and associated level of sponsorship control remains appropriate. This more streamlined approach enables the risk ratings and resulting implications to be quickly and easily determined.

Fraud & Information Risk

A key component of risk management is the management of fraud risk. In managing the risk of fraud each departmental business area assesses its vulnerability to fraud via a fraud risk analysis. This identifies the areas most susceptible to fraud, allows the risk to be managed appropriately, improving controls where necessary.

The Department has a process in place to ensure that all actual and suspected frauds arising within the Department are reported and managed appropriately. Up until the 31 March 2015, where investigation was required, the Department used expert fraud investigation services provided by the Department of Agriculture and Rural Development's (DARD) Central Investigation Service (CIS). For the 2015-16 year these services were provided by a central DFP Group Fraud Investigation Service. Where actual or attempted fraud has been proven the Department instigates remedial action, strengthening weaknesses in systems and promulgates lessons learned.

The Department was notified of 37 incidents of suspected fraud and governance issues during 2015-16 of which 22 were received and handled via DCAL's Raising Concerns (Whistleblowing) Policy. There were no instances of fraud within the Core Department but

within its ALBs there were 10 Actual Frauds, 2 suspected frauds and 2 attempted frauds which were prevented. This compares to 14 actual frauds notified to the Department during the 2014-15 financial year.

The Department's most recent review of its Fraud Prevention Policy and Fraud Response Plan was in November 2014 which brought them in line with best practice. Similarly Internal Audit's most recent review of the Department's fraud arrangements, which included compliance with the Bribery Act, was in December 2014 which resulted in an overall level of assurance of 'satisfactory'.

In line with the Data Protection Act 1998, the Department's Data Protection policy sets out DCAL's commitment to processing personal data lawfully and fairly. The Department has obtained satisfactory assurance in 2015-16 over the systems in place regarding compliance with FOI requirements and the management of electronic records. Information used for operational purposes and reporting purposes is handled appropriately. Where information is used by third parties or other parts of government the Department strives to ensure appropriate steps are taken to ensure that all data is held securely.

One data breach occurred in the year relating to two Inland Fisheries Group hard copy documents. The Information Commissioners Office was informed on 13th April 2016. One individual was affected, has been notified and was content with the action taken by the Department. Inland Fisheries Group Enforcement Policy and Guidance was issued in October 2015, clarifying the security of hard copy documentation, to avoid any recurrence.

Management of Risks in 2014-15

At a risk planning session held with the departmental Board in March 2015 the closing 2014-15 corporate risks and the 2015-16 risk environment were considered and five corporate risks facing the Department in 2015-16 were agreed. These were as follows:

- Failure to adhere to governance controls
- Unexpected budgetary pressures
- Interruption to Business
- Breaches in Information Management
- Failure to complete the Business Transition Programme

As the year progressed the following four risks were added to the register:

Stadium Delivery – in 2014-15 this had been a risk to the achievement of the stadium objective in terms of the stadia being delivered on time and to budget. It had been removed from the 2014-2015 register since the delivery timeframe could not be met following the overturning of planning permission for the development. Consequently, the risk was considered to have crystallised and was removed from the register until new plans were put in place and a new objective devised. The risk, to fail to successfully deliver the priority PfG commitment to 'Develop sports stadiums as agreed with the IFA, GAA and Ulster Rugby' has been reintroduced as a corporate risk in 2015-16 and is being managed as appropriate by members of the departmental capital portfolio team. The Kingspan Stadium is now complete, and it is anticipated that Windsor Park will complete in late 2016. Collaborative work is ongoing with the GAA to progress the Casement Park project and it is hoped that the

GAA will be in a position to submit a revised planning application in the third quarter of 2016.

Governance, leadership & management issues at Sport NI – as a result of long term absence of Sport NI’s CEO, a series of concerns raised and the resignation of nine Board Members the Department recognised a corporate risk to the achievement of Sport NI’s business plan objectives and risk of reputational damage. In order to manage this risk the Department took a number of actions in July 2015 including the appointment of a Senior Civil Servant as Interim CEO, the appointment of an Interim Executive Leadership Team (IELT) to determine cultural, management and leadership issues and the appointment of new Board Members. The Department continues to manage this risk with appointment of a new Interim CEO from 2 May 2016. (Please also refer to page 80 “Sport NI – Leadership”)

Failure to manage departmental workloads – in light of a reducing staff complement due to the Voluntary Exit Scheme the Department recognised that the additional pressures threatened the achievement of Departmental objectives. This issue has been actively managed with regular HR reports to the Board, the development of contingency plans and proactive consideration of work that could be de-prioritised with the aim of ensuring business critical operations are protected.

Governance, leadership & management issues at Armagh Observatory and Planetarium (AOP) – with the retirement of the Accounting Officer of the Planetarium and the concern of a number of governance related issues a risk was identified that AOP is not adequately led/managed to fulfil its statutory and Departmental obligations. In order to manage this risk the Department appointed an Interim Accounting Officer whilst commissioning a competition to appoint a new CEO. Furthermore the Department has been progressing a project to deliver organisational change and unify the two separate organisations into one which has been overseen by a project Board and project manager.

Voluntary Exit Scheme (VES)

The implementation of the VES in the Department and ALBs has resulted in a loss of knowledge and experience as well as putting additional pressure on the remaining staff making it more difficult to undertake development work and respond quickly to initiatives and requests for information. Although in 2015-16 business plan targets were not negatively affected, going forward pressures on remaining staff increases the risk of increased levels of stress and related staff absences further threatening business continuity and the achievement of business plan targets.

10. Governance Framework & Accountability

In respect of the Department:

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

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

Secondly independent assurance is provided by the Department's Head of Internal Audit providing an independent and objective opinion on the effectiveness of routine operational and support activities within the Department as well as other ad hoc issues as required. The Head of Internal Audit's annual report is addressed in more detail in section 12.

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

The Department achieves its corporate objectives through direct departmental intervention and through 8 ALBs and 2 N/S Bodies. The Chief Executives of the ALBs are directly accountable to the Departmental Accounting Officer as Principal Accounting Officer and the Boards of the ALBs are directly accountable to the Minister. The Chief Executive and Chairman (where in place) of N/S Bodies are directly accountable to the North-South Ministerial Council. Roles and responsibilities in these relationships and governance and financial frameworks are documented and agreed within Management Statements and Financial Memoranda (MSFMs), or Financial Memoranda in the case of the N/S Bodies. In order for the Departmental Accounting Officer and the Minister to assure themselves that roles and responsibilities are being discharged and that Programme for Government and other Departmental objectives are being met, assurances are obtained proportionate to the level of risk the body poses to the Department (see risk management section 8). Assurances are obtained primarily via assurance statements and through regular accountability meetings with the ALB.

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

Review of Governance

In recent years the Department has embarked on a journey to streamline the governance regime and to identify smarter ways of obtaining the same level of assurances. Reviews completed in 2014 and 2015 produced significant changes in regards to the frequency of assurance statements, the drawdown process and the ALB risk assessment process. Changes to the ALB risk assessment process aim to ensure that the level of oversight and the tightness of the governance regime applied by the Department are commensurate with the level of risk posed by the ALB.

11. Sources of Independent Assurance

Internal Audit - Both the Accounting Officer and the Board are independently advised by an internal audit service which operates in accordance with a Service Level Agreement with the Department of Education. The primary objective of Internal Audit is to provide the Accounting Officer and the Board with an independent and objective opinion on the Department's approach to risk management, control and governance, by measuring and evaluating their effectiveness in supporting the achievement of the Department's objectives. The Internal Audit service is provided in accordance with Public Sector Internal Audit Standards (PSIAS). As required in the PSIAS the Internal Audit service provided to DCAL was subject to an independent external quality assessment (EQA) in July 2015. The review was undertaken by HMT's Government Internal Audit Agency who concluded the service provided is of a high standard and 'generally conforms' overall with PSIAS.

Furthermore an EQA of DCAL ALBs' internal audit services is undertaken at least once every five years. The Department considers these reviews to be an essential element of its overall governance framework. The Department's Internal Audit providers carry out these reviews on a rolling programme with significant issues arising out of these reviews being addressed on a timely basis.

External Audit - the Comptroller and Auditor General (C&AG) to the Northern Ireland Assembly carries out an external audit of the Annual Report and Accounts (AR&A) of the Department and its ALBs and provides an independent opinion on the whether the AR&A presents a true and fair view. Due to governance issues in some ALBS, already outlined in this report, four of the 2014-15 ALB financial statement audits are not yet concluded.

Through internal and external audits and other audits of compliance, a number of recommendations have been raised in the 2015-16 year aimed at strengthening controls and bringing departmental procedures more in line with best practice. In the year the Department has made reasonable progress in implementing current and prior years' recommendations and steps have been taken by the Department and ARAC to expedite implementation. Refer to section 13 for more detail.

DFP Internal Audit assurance on the provision of Shared Services - the Department of Finance and Personal (DFP) Internal Audit have provided their audit opinion on its provision of Shared Services to other Departments. These opinions cover Enterprise Shared Services, Account Ni, HR Connect, NI Direct, IT Assist, Central Procurement Division, Properties Division and Departmental Solicitors Office. No follow up reviews were completed in 2015-16 for Land and Property Services, and NI Statistics and Research Agency but assurance can be taken from work in previous years. Overall I am content with the assurances provided and the actions being taken to address those areas which have a limited opinion.

12. Review of Effectiveness

Each Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control within their department. In DCAL this review of the effectiveness of the system of internal control is informed by:

- Regular performance information provided by managers to the Board including Quarterly Directors' reports which were introduced in 2015-16 which report on key performance indicators in each of their respective ALBs ;
- Advice and assurance from the Departmental ARAC;
- The subsidiary Governance Statements prepared by Heads of Branch and Heads of Division within the Department, who have responsibility for the development and maintenance of the internal control framework in their respective areas;
- The Governance Statements, and associated documentation, submitted by the Accounting Officers of the Department's ALBs (excluding N/S bodies);
- Internal Audit's independent and objective appraisal of the risk management, control and governance arrangements operating within the Department;
- Regular accountability meetings between sponsor branches and DCAL's ALBs;
- NIAO's annual audit of Departmental accounts, their findings and recommendations detailed in their Report to Those Charged with Governance and the overall scrutiny role they assume;
- Bi Annual Assurance Statements (BiAAS) received from the ALB CEOs and Quarterly Assurance Statements (QAS) received from N/S bodies which were presented to ALB ARACs and Boards and subsequently reviewed by DCAL's sponsor branches;
- Branch and Divisional Bi AAS completed by DCAL Branches and Divisions;
- Annual assurance statements received from ALB Chairs and Boards; and
- Further assurances regarding the N/S Bodies come from quarterly monitoring meetings between the sponsor departments and the Language Body and bi-monthly monitoring meetings with Waterways Ireland. The agenda for these monitoring meetings mirrors the model DCAL accountability meeting agenda and provides an opportunity for Senior Sponsors to challenge the Accounting Officers of the bodies. Service Level Agreements are in place for 2016 for the N/S Bodies. Furthermore Chief Executives and the Chairman (where in place) provide a face-to-face twice yearly report to the North-South Ministerial Council.

13. Internal Governance Divergences

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

Sick Absence Targets

In 2013-14 sickness absence procedures were not fully adhered to which contributed to the Department not meeting its sick absence targets. In order to address this issue an action plan was drawn up in 2014-15 with one of the actions being the provision of monthly reports, detailing non-compliance, to Heads of Division to allow appropriate remedial actions to be taken. In 2015-16 the Department continued to improve on the compliance level achieved in 2014-15. Heads of Division continue to receive their monthly reports identifying non-compliance of the sickness absence procedures. This continues to be monitored on a monthly basis although the target of 6.5 working days lost per year for 2015-16 was missed. The estimate actual for the year is 9.1 working days which compares with 9.2 days in 2014-15.

Sport Northern Ireland (SNI)

The SNI Chief Executive (CEO) remains absent from her post. The Department put in place an Interim CEO from July 2015 who provided leadership and direction to SNI and providing relevant assurances to the Department on how SNI carries out its business and adherence to good governance.

The Sport NI Board was left with only five members after the resignation of 9 members in July 2015. A Commissioner for Public Appointments Northern Ireland (CPANI) compliant appointment process was immediately enacted by the Department to find replacement Members and in the interim three Senior Civil Servants were co-opted by the Board to provide support on its sub-committees. Five new Members were appointed from 1 January 2016. The Chair and Vice Chair subsequently resigned on 31 March 2016 and an interim Chair and Vice Chair were appointed from within the existing Board Members. An appointment competition will be instigated shortly to appoint permanent replacements. The Board and its sub-committees have continued to function throughout this period of fluctuating membership.

An Interim Executive Leadership Team (IELT), put in place by the Department following a report from its Head of Internal Audit, has taken forward reviews of the leadership, culture and HR practices within Sport NI. A report prepared by the IELT has highlighted a large number of significant issues within Sport NI. The Sport NI Board is currently developing an action plan to implement the IELT recommendations. This will be implemented under a new Management Team led by new Interim CEO appointed on 2 May 2016. A number of these issues are also addressed in Sport NI's Bi Annual Assurance Statement.

The findings and recommendations of the NIAO review on the St Colman's College sports projects highlighted a number of concerns regarding Sport NI's management and oversight of the project, the accuracy of the project's business case, and Sport NI's investigations of the whistleblower's concerns. Assurances have been received from Sport NI that the recommendations of the NIAO report are being implemented on an ongoing basis and Internal Audit confirmed that they are implemented and continue to be adhered to.

Grants to North/South Bodies

The Department's 2013-14 and 2014-15 Annual Reports and Accounts were qualified on the grounds of irregular expenditure on the basis that grant payments to Waterways Ireland and to the Language Body were made in the absence of properly approved business plans. Waterways Ireland's business plans for the calendar years 2015 and 2016 were approved in advance of any grant payments for those years being paid. Approval for the Language Body's 2015 business plan was obtained.

Libraries NI Valuation of Heritage Assets

Libraries NI's Annual Report and Accounts (AR&A) have been qualified since 2009-10 due to the fact the Comptroller and Auditor General has been unable to verify the figure in LNI's AR&A in relation to stock assets which transferred from the Education and Library Boards. Reviews and valuations of stock assets have been undertaken since 2009-10 in an effort to reduce the limitation of scope and remove the qualification, the most recent valuation being

in March 2016. However the significance of the remaining limitation of scope means that LNI's 2015-16 AR&A may be qualified again in this regard. It is hoped that the assurance over the value of stock assets will be sufficient enough in 2016-17 to remove the qualification from the 2016-17 AR&A.

Northern Ireland Events Company (NIEC)

The Department has taken extensive actions in recent years to strengthen its systems of internal control by identifying and incorporating lessons learned from its experiences with the Northern Ireland Events Company (NIEC). The Company Inspectors have finished their investigation into the NIEC and the Comptroller and Auditor General has issued his report based on this investigation. The 34th Report from the Public Accounts Committee (PAC) Mandate 2011-2016 also reports on this issue. The Memorandum of Reply to the PAC report was issued to the Assembly on 22 June 2016. The Department has settled all creditor claims against the company and is progressing steps to wind up the company. DETI is also in the process of considering disqualification of the NIEC Directors.

Waterways Ireland (WI)

Waterways Ireland had applied incorrect subsistence rates to staff based in the North while on duty in the South between 2002 and 2011. This was rectified with the correct rates being applied from 1 April 2011. An investigation carried out by DCAL's Internal Audit was completed and all recommendations have been implemented. The Department is awaiting a business case from Waterways Ireland on the recommended option to deal with the overpayments.

Fisheries outstations – Limited Internal Audit Report

The recommendations made in the limited assurance reports issued in 2012-13 for Castlewellan and Riversdale were revisited through follow-up reviews in 2015-16. Internal Audit concluded that the level of assurance has been raised to satisfactory. Any remaining issues that require attention will be taken forward by DAERA.

Receipts – Limited Internal Audit Report

This review, which examined the receipts process, resulted in an overall limited assurance in 2013-14. A follow up review on this report was completed in April 2015 which concluded that 5 of the recommendations were still unimplemented. Further follow-up reviews were completed in 2015-16 with IA concluding that the level of assurance obtained remained limited based on the risk posed by the current post opening arrangements and a number of outstanding priority 1 recommendations. This report and the issues therein will be considered and taken forward accordingly by DAERA.

Grant Allocation – Limited Internal Audit Report

The 2013-14 Internal Audit review of the grant process applied in DCAL highlighted a number of weaknesses which resulted in an overall Limited assurance opinion. The report made 8 recommendations, 1 of which was a Priority 1 and 7 deemed Priority 2. Many of the recommendations were similar to those made in a previous Internal Audit report on grants

which had been reported as implemented by management. It was recognised in the 2013-14 report that although action had been taken by some branches, which led to the recommendation being cleared from the database of outstanding recommendations, the recommendations could not be deemed implemented by the Department as a whole. In 2015-16 grant guidance developed by the Department was issued to branches. Awareness sessions and training have also been provided to staff involved in the award of grants to help improve compliance with FD (DFP) 17/05 “Use of funding database recording support to voluntary and community sector and other commitments” and DAO (DFP) 08/15 “The Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector”. A follow-up review has been conducted by Internal Audit in 2015-16 with IA concluding that the level of assurance has been raised to satisfactory. Any remaining issues that require attention will be considered from a department wide perspective in DfC.

Movanagher Fish Farm – Limited Internal Audit Report

In 2013-2014 Internal Audit issued reports on the fisheries offices at Castlewellan and Riversdale. These reports contained a number of recommendations that were expected to be implemented across all fisheries locations as appropriate. The 2013-14 Internal Audit review of the Movanager Fish Farm however identified that this was not the case and it is these outstanding issues that were a key factor in contribution to the limited assurance given in the report. A follow-up review has been conducted by Internal Audit in 2015-16 with IA concluding the level of assurance has been raised to satisfactory. Any remaining issues that require attention will be taken forward by DAERA.

Lough Neagh Boat House – Limited Internal Audit Report

This is similar to the Movanager Fish Farm report above – an Internal Audit review of Lough Neagh Boathouse proved previous recommendations had not been implemented. Five new issues were also identified in this review. A follow-up review has been conducted by Internal Audit in 2015-16 with IA concluding the level of assurance has been raised to satisfactory. Any remaining issues that require attention will be taken forward by DAERA.

Bushmills Salmon Station – Limited Internal Audit Report

The IA review at Bushmills in 2013-14 concluded that there were a number of previously identified issues still outstanding, which were a key factor in determining the overall evaluation. A number of issues were also outstanding from the previous “Review of Asset Management” in 2012 as well as a number of new issues. A follow-up review has been conducted by Internal Audit in 2015-16 with IA concluding the level of assurance has been raised to satisfactory. Any remaining issues that require attention will be taken forward by DAERA.

Armagh Observatory and Planetarium (AOP) - Governance

A Review of the governance, management and staffing structures of the Armagh Observatory and Planetarium was carried out by the Strategic Investment Board (SIB) in 2014-15 and a number of recommendations were made. The phased implementation of the recommendations from this review is being undertaken by AOP’s Board of Governors, its Management Committee and the Department via a Project Board and appointed Project

Manager and will strengthen and reshape the framework of governance and accountability within AOP. A recruitment competition to appoint a single CEO for AOP, who will also be the Accounting Officer, has been completed with the successful candidate due to assume the post in August 2016.

Budget Management

Financial uncertainty leading to difficulties in setting and monitoring budgets was noted as a significant issue for all ALBs in the 2014-15 DCAL Governance Statement. This issue remained pertinent in 2015-16 and has caused business planning concerns among ALBs going into 2016-17 as budgets are indicative and may lead to initiatives/programmes not being taken forward unless additional budget becomes available.

National Museums NI – Chief Executive role

In 2014-15 the Department's Internal Audit team conducted an investigation into the issues understood to have been behind the resignation of NMNI's Chief Executive in office at that time. The work undertaken identified weaknesses in NMNI's internal processes. All of the recommendations raised by Internal Audit were accepted and the Department has received assurance that they have been implemented in full.

The role of Acting Chief Executive was filled internally before a recruitment competition was run in 2015 with the successful candidate assuming the role of NMNI CEO on 1 March 2016.

LIOFA

In November 2014 there was a data security issue relating to the Liofa website. The website was immediately suspended and an independent investigation was undertaken. The information Commissioner was informed. A new Liofa website was developed in partnership between the Department and Enterprise Shared Services and was launched in June 2015. A 'lessons learnt' report was prepared reflecting on the circumstances of this issue and the control weaknesses. A total of 15 recommendations were made and the department has fully implemented 13 and partially implemented the remaining two.

Casement Park

During a meeting of the Culture Arts and Leisure (CAL) Committee in April 2015, the Chair of the Safety Technical Group (STG) for the Stadia Redevelopment Programme raised a number of issues including concerns in relation to emergency exiting arrangements at Casement Park. In line with good programme and project management practice, and in response to these concerns, the Department commissioned a Project Assessment Review (PAR) by the Major Projects Authority. This review was commissioned through DFP CPD and was undertaken by a panel of independent experts. The review which was technically focussed, examined all three stadia in the regional programme. The Report into the PAR has been published and details 20 recommendations that the Department are taking forward. This thorough and comprehensive PAR report presents the Department with a successful route map to progress the remainder of the regional stadia programme. Good progress has been made on implementing the PAR recommendations with 13 of the 20 now considered complete.

Conflicts of Interest

As a result of weaknesses identified by the NIAO and departmental Internal Audit in regards to how the Department deals with aspects of conflict of interests the Department carried out a review of its conflict of interest policies and procedures in 2015-16 to address recommendations made and to bring them into line with recently published NIAO guidance. Other recommendations made by Internal Audit in regard to the Department's Operational Partnership with SIB and the Department's induction process are being addressed.

Sponsor Control of the North/South Bodies

The key focus of this 2014-15 review was DCAL's oversight and governance arrangements in relation to its sponsorship of its North/South Bodies. Internal audit's Limited opinion was based on 5 key findings and their assessment took account of any additional measures implemented by the Department. The Financial Memorandum remains under review by DFP and its counterpart in the South, Department of Public Expenditure and Reform. WI does not have a Board and there is no legislative provision for the creation of a Board. The NSMC considered a review of working of N/S Bodies following a recommendation in the St Andrews Agreement and decided not to create a Board for Waterways Ireland (WI) (or SEUPB). NSMC did however ask officials to strengthen the governance arrangements. This has been done. A service level agreement between sponsor departments and WI and a Quarterly Assurance process have been introduced. The sponsor departments hold bi-monthly meetings with the WI CEO and her senior managers, as well as Finance Meetings 3-4 times per year where finance, audit and risk management is discussed in more detail. The agenda for the Monitoring meetings follows the DCAL model accountability agenda. Departmental staff also attend the WI Audit Committee meetings. The residual risk of not having a Board is accepted, but should be kept under review. The Language Body also provides quarterly assurance statements and a service level agreement was in place for 2015 and 2016.

Governance Divergences arising in Current Year 2015-16

PRONI Public Records Management – Limited Internal Audit Report

During the year Internal Audit carried out a review of public records management. The outcome of this review was informed, in part, by a recent report prepared by the Information Commissioner's Office (ICO) on an information risk review they had conducted on behalf of PRONI. Internal Audit's review had four components with one component achieving a 'Substantial' assurance rating, another component achieving a 'Satisfactory' assurance rating and the remaining two components achieving 'Limited' assurance ratings. Considering the components collectively Internal Audit concluded an overall rating of 'Limited' and made a number of recommendations for improvement that will complement those recommendations made by the ICO.

MAGUS – Limited Internal Audit Report

As part of the Internal Audit plan for 2015-16, Internal Audit performed a review of the Ministerial Advisory Group for the Ulster Scots Academy (MAGUS) systems of internal

control in relation to payments to agency/seconded staff, procurement, hospitality, grants, petty cash and travel, subsistence and other expenses. Internal Audit identified some areas of good practice with processes and procedures operating effectively, however, significant control weaknesses and non compliance with NICS and DCAL core guidance has resulted in an overall opinion of 'Limited'. Although the MAGUS no longer exists the Department has accepted all recommendations and the majority have now been implemented.

Armagh Observatory & Planetarium (AOP) Governance Issues & Potential Fraud

In 2015 AOP's Audit and Risk Assurance Committee drew the Department's attention to a number of concerns in relation to procurement and other practices undertaken by a former Director. AOP commissioned a preliminary investigation by its Internal Audit team to consider the procedures and practices followed in relation to procurement, use of credit cards and gifts and hospitality. On completion of this investigation AOP's Internal Audit concluded there is unacceptable assurance over the areas considered. Due to the significance of some of the findings further investigations are now being conducted by DFP's Group Fraud Investigations Service. As a result the Department has re-assessed the risk presented by AOP as high and have increased the level of oversight applied and is actively involved in the project to take forward the required change management to create a unitary organisation.

Sport NI – Tollymore National Outdoor Centre (TNOC)

An NIAO report highlighted that the facility is not in compliance with Managing Public Money NI (MPMNI) due to the continuing subvention provided to it by Sport NI. Meetings have been held with DFP to understand the extent of DFP approval required to ensure compliance. Advice has been sought from SIB on the potential for an enhanced operating model for the Centre. Sport NI continues to progress a schedule of agreed actions with the aim of submitting a revised business case for continued subvention of TNOC to the Department and DFP by the end of May 2016 followed by further work to produce an operating model for the Centre.

North South Language Body – Approval of Business Plan 2016

NSMC approved the north south Language Body's business plan for 2016 on 24 June 2016. Accordingly expenditure in providing grant to the Body from 1 January 2016 until 24 June 2016 was irregular. However Department of Finance has provided retrospective approval of this expenditure.

14. Conclusion

In consideration of the above disclosures and in taking into account the internal control divergences disclosed I believe that DCAL's risk management, corporate governance and internal control framework has provided me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that the systems for detecting and responding to inefficiency, for preventing and detecting fraud and for minimising losses of public funds were not adequate. I also believe DCAL's governance structure has operated satisfactorily in the 2015-16 year.

Remuneration Report

Remuneration Policy

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. This was subsequently reduced to 10 points in 2014 and 9 points in 2015 to allow progression through the pay scales within a reasonable period of time.

Service Contracts

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

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

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and pension entitlements

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

Minister's Remuneration (Audited)

Minister	2015-16				2014-15			
	Salary £	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)*	Total (to nearest £1000)	Salary £	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1000)*	Total (to nearest £1000)
Carál Ní Chuilín MLA Minister	38,000	-	13,000	51,000	38,000	-	12,000	50,000

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

Senior Management Remuneration (Audited)

Officials	2015-16					2014-15				
	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)	Salary £'000	Bonus Payment £'000	Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)
Dr Denis McMahon <i>Permanent Secretary</i>	105-110	-	-	51	160-165	0-5 (105-110 full year equivalent)	-	-	1	0-5
Mr Ian Maye <i>Deputy Secretary</i> (from 1 September 2015)	50-55 (85-90 full year equivalent)	-	-	18	65-70	-	-	-	-	-
Mrs Cynthia Smith <i>Deputy Secretary</i> (to 31 January 2016)	80-85 (95-100 full year equivalent)	-	-	25	105-110	100-105	-	-	71	170-175
Ms Maggie Smith ** <i>Acting Deputy Secretary</i> (from 4 January 2016)	70-75	-	-	89	160-165	65-70	-	-	20	85-90
Mr Arthur Scott <i>Director</i>	70-75	-	-	39	105-110	65-70	-	-	25	90-95
Ms Patricia McAuley <i>Director</i> (from 1 September 2015)	40-45 (70-75 full year equivalent)	-	-	18	60-65	-	-	-	-	-
Mr Fergus Devitt <i>Director</i>	70-75	-	-	27	95-100	40-45 (65-70 full year equivalent)	-	-	12	50-55
Mr David Carson <i>Director</i> (to 30 March 2016)	75-80 (75-80 full year equivalent)	-	-	14	90-95	45-50 (75-80 full year equivalent)	-	-	12	55-60
Mrs Joanna McConway <i>Acting Director</i> (from 29 June 2015)	50-55 (65-70 full year equivalent)	-	-	23	70-75	-	-	-	-	-
Mr Aidan Cassidy <i>Acting Director</i>	65-70	-	-	156	220-225	5-10 (65-70 full year equivalent)	-	-	13	15-20

Dr Michael Willis <i>Acting Director</i> (from 1 February 2016)	10-15 (65-70 full year equivalent)	-	-	21	30-35	-	-	-	-	-
Mr John West <i>Non-Executive Director</i>	5-10	-	-	-	5-10	5-10	-	-	-	5-10
Ms Marie Mallon <i>Non-Executive Director</i>	10-15		-	-	10-15	0-5	-	-	-	0-5

Band of Highest Paid Director's Total Remuneration	110-115	105-110
Median Total Remuneration	26,991	26,711
Ratio	4.2	4.0

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

*** Maggie Smith held the post of Deputy Secretary for the period from 4 January 2016 to 31 March 2016. For the period from 1 April 2015 to 3 January 2016 she held the position of Director, PRONI.*

Fair Pay

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

The banded remuneration of the highest paid director in DCAL for the 2015-16 financial year was £110-115k (2014-15: £105-110k). This was 4.2 times (2014-15: 4 times) the median remuneration of the workforce, which was £26,991 (2014-15: £26,711).

The range of staff remuneration for 2015-16 was £98k (2014-15: £93k).

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

For the 2015-16 financial year, the slight increase in the median ratio to 4.2 has arisen due to an increase in the banded remuneration of the highest paid director to £110-£115k (2014-15: £105-£110k) following the implementation of the 2015 pay award. The terms of the pay award were applied to all other staff which also resulted in a small increase in the median remuneration to £26,991 (2014-15: £26,711) however the upward movement in banded remuneration of the highest paid director outweighed this percentage increase.

Salary

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

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

Benefits in kind

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

No benefits in kind were received in this financial year.

Bonuses

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

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

Pension Benefits

Pension of Minister (Audited)

Minister	Accrued pension at pension age as at 31/3/16	Real increase in pension at pension age	CETV at 31/3/16	CETV at 31/03/15	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Carál Ní Chuilín MLA <i>Minister</i>	0-5	0-2.5	46	36*	6

* The difference in CETV between the 31/3/15 figure in the 2014-15 accounts and the 31/3/15 figure shown in this account is due to changes in financial assumptions used to calculate the factors during 2015-16 by the Trustees of the Assembly Members' Pension Scheme (Northern Ireland) 2012.

Ministerial pensions

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

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 7% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 20.6% of the Ministerial Salary.

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

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the increase in accrued pension due to the Department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using valuation factors for the start and end of the period. Prior to October 2015, the CETV factors were calculated using a net discount rate of 3%, which was the rate set by HM Treasury for the major public service pension schemes. Following the completion of the 2014 funding valuation of the AMPS the assumptions used to calculate the scheme's factors were reviewed. The AMPS is not covered directly by the financial assumptions set by HM Treasury for other public service pension schemes, and the Trustees instead decided to adopt the financial assumptions used in the scheme's funding valuation to calculate CETVs (a net discount rate of 3.5%) rather than the HM Treasury rate. This has led to a reduction in CETVs in general and a difference between the closing CETVs reported in 2014-15, and the opening CETVs reported in 2015-16.

Pensions of Senior Management (Audited)

Officials	Accrued pension at pension age as at 31/3/16 and related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31/3/16	CETV at 31/3/15 *	Real increase/ (decrease) in CETV	Employer Contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Dr Denis McMahon <i>Permanent Secretary</i>	10-15	2.5-5	185	117	52	-
Mr Ian Maye <i>Deputy Secretary</i> (from 1 September 2015)	30-35 plus 100-105 lump sum	0-2.5 plus 2.5-5 lump sum	669	613	15	-
Mrs Cynthia Smith <i>Deputy Secretary</i> (to 31 January 2016)	40-45 plus 125-130 lump sum	0-2.5 plus 2.5-5 lump sum	922	885	31	-
Ms Maggie Smith ** <i>Acting Deputy Secretary</i> (from 4 January 2016)	20-25 plus 60-65 lump sum	2.5-5 plus 10-12.5 lump sum	453	349	82	-
Mr Arthur Scott <i>Director</i>	35-40 plus 110-115 lump sum	0-2.5 plus 5-7.5 lump sum	824	743	38	-
Ms Patricia McAuley <i>Director</i> (from 1 September 2015)	30-35 plus 95- 100 lump sum	0-2.5 plus 2.5-5 lump sum	686	636	16	-
Mr Fergus Devitt <i>Director</i>	25-30 plus 75-80 lump sum	0-2.5 plus 2.5-5 lump sum	488	434	21	-
Mr David Carson <i>Director</i> (to 30 March 2016)	25-30 plus 80-85 lump sum	0-2.5 plus 2.5-5 lump sum	632	610	14	-
Mrs Joanna McConway <i>Acting Director</i> (from 29 June 2015)	10-15	2.5-5	150	109	28	-
Mr Aidan Cassidy <i>Acting Director</i>	30-35 plus 100-105 lump sum	5-7.5 plus 20- 22.5 lump sum	702	526	141	-
Dr Michael Willis <i>Acting Director</i> (from 1 February 2016)	20-25 plus 60-65 lump sum	0-2.5 plus 2.5-5 lump sum	405	364	18	-

Mr John West <i>Non-Executive Director</i>	-	-	-	-	-	-
Ms Marie Mallon <i>Non-Executive Director</i>	-	-	-	-	-	-

* The difference in CETV between the 31-03-15 figure in the 2014-15 accounts and the 31-03-15 figure shown in this account is due to changes in financial assumptions used to calculate the factors during 2015-16 by the Scheme Actuaries.

** *Maggie Smith held the post of Deputy Secretary for the period from 4 January 2016 to 31 March 2016 For the period from 1 April 2015 to 3 January 2016 she held the post of Director, PRONI.*

Northern Ireland Civil Service (NICS) Pension arrangements

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

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

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Increases are applied from April and are determined by the CPI figure for the preceding September. The CPI in September 2015 was negative (-0.1%) and HM Treasury has announced that there will be no increase to public service pensions from April 2016. Therefore public service pensions will remain at their current level.

Employee contribution rates for all members for the period covering 1 April 2016-31 March 2017 are as follows:

Scheme Year 1 April 2016 to 31 March 2017

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates: Classic members or Classic members who have moved to alpha	Contribution rates: All other members
From	To	From 1 April 2016 to 31 March 2017	From 1 April 2016 to 31 March 2017
£0	£15,000.99	3.8%	4.6%
£15,001.00	£21,000.99	4.6%	4.6%
£21,001.00	£47,000.99	5.45%	5.45%
£47,001.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 14.7% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to

cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of *Classic*, *Premium*, and *Classic Plus* and 65 for members of *Nuvos*. The normal pension age in *alpha* is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Compensation for loss of office

Cynthia Smith left on Voluntary Exit terms on 31 January 2016. She received a compensation payment of £156k.

David Carson left on Voluntary Exit terms on 30 March 2016. He received a compensation payment of £39k.

Staff Report

Staff Costs (Audited)

	Permanently Employed Staff* £'000s	Others £'000s	Minister £'000s	2015-16 Total £'000s	2014-15 Total £'000s
Wages and Salaries	9,166	190	38	9,394	9,240
Voluntary Exit Scheme	1,493	-	-	1,493	-
Social Security Costs	655	-	4	659	637
Other pension costs	1,923	-	8	1,931	1,893
Subtotal	13,237	190	50	13,477	11,770
Less Secondment Recovery	(99)	-	-	(99)	-
Total Net Costs**	13,138	190	50	13,378	11,770

* Permanently employed staff includes the cost of the Department's Special Adviser who is paid in the pay band £59,627 to £91,809k (2014-15: £59,037 to £91,809).

**Of which £6,974k was charged to administration costs and 6,404k was charged to programme costs

There were no staff costs capitalised in 2015-16.

The Department of Culture, Arts and Leisure was under the direction and control of Carál Ní Chuilín MLA for the 2015-16 financial year. Her Ministerial salary and allowances were paid by the Northern Ireland Assembly and have therefore been treated as a notional cost in these resource accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

The Northern Ireland Civil Service pension schemes are unfunded multi-employer defined benefit schemes but the Department of Culture, Arts and Leisure is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. The valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DFP Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2016.

For 2015-16, employers' contributions of £1,916,329 were payable to the NICS pension schemes (2014-15: £1,876,571) at one of the four rates in the range 20.8% to 26.3% of

pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of the new career average earning scheme, alpha, from April 2015. From 2016-17, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £7,184 (2014-15: £7,030) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 14.7% (2014-15: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £224.04, 0.5% (2014-15: £224.04, 0.8%) of pensionable pay, were payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

Partnership pension contributions are remitted to Account NI shared service centre, who make payments to the providers on behalf of all NICS Departments. At the Statement of Financial Position date £707 (2014-15: £678) had been remitted to Account NI but had not yet been paid to the providers.

No staff (2014-15: no persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year were £nil (2014-15: £nil).

Staff Numbers (Audited)

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

	2015-16				2014-15
	Permanent Staff	Others	Minister	Special Adviser	Total
Arts	26		-	-	26
Museums	20		-	-	20
Libraries	30		-	-	30
Sport	33		-	-	33
PRONI	79	3	-	-	82
Inland Fisheries Group	70		-	-	70
Other Reportable Segments	26	1	1	1	29
Total	284	4	1	1	290

Staff Composition at 31 March 2016

	Headcount			Full Time Equivalent		
	Male	Female	Total	Male	Female	Total
Board Members						
Permanent Secretary	1	-	1	1.0	-	1.0
Deputy Secretary	1	1	2	1.0	1.0	2.0
Directors	5	2	7	5.0	2.0	7.0
Other Staff						
Employees	163	119	282	161.9	106.8	268.7
Total	170	122	292	168.9	109.8	278.7

Additionally, there were 2 non-executive directors at 31 March 2016 (1 male, 1 female) who are not included in the figures above.

Equal Opportunities Policy

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

Employment of Disabled Persons

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

Employee Involvement

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

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

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

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

Employee Engagement – Departmental Restructuring

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

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

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

Sickness Absence

The Department's procedures in regard to managing attendance involves four strands: promoting wellbeing; supporting staff through illness; assisting them back to work; and taking robust action through inefficiency procedures where absence levels are considered to be unacceptably high. These procedures have been applied consistently throughout the year. The Department's sickness absence target for industrial and non-industrial staff for the year was to achieve an absence level of no more than 6.5 working days lost per staff year. Although final authoritative figures are not yet available from the Northern Ireland Statistics and Research Agency, the estimated outturn for the year is 9.1 working days lost per member of staff which compares with 9.2 days in 2014-15.

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

	2015-16	2014-15 Restated
Opening number at 1 April	2	-
Number of new engagements	2	3
Number of engagements that have come to an end	(1)	(1)
Closing number at 31 March 2016	3	2

All new off payroll engagements are for staff employed by Strategic Investment Board which is a company limited by guarantee and a wholly owned Non Departmental Public Body (NPDB) of The Executive Office (formerly the Office of the First and Deputy First Minister). As a NDPB it is required to comply with the Code of Good Practice NI 2013.

Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0(0)	3(0)	3(0)
£10,000 - £25,000	0(0)	17(0)	17(0)
£25,000 - £50,000	0(0)	14(0)	14(0)
£50,000 - £100,000	0(0)	7(0)	7(0)
£100,000 - £150,000	0(0)	0(0)	0(0)
£150,000 - £200,000	0(0)	1(0)	1(0)
Total number of exit packages	0(0)	42(0)	42(0)
Total resource cost in £000's	nil	1,493	1,493

Comparative data for 2014-15 is shown in brackets.

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

Consultancy Expenditure

During the year the Department incurred £177k on consultancy costs. These include £93k on Stadium costs, £63k on the Ulster Scots Digitisation Project and £10k on consultation for Aonach Mhacha involving the regeneration of the former Fire Station in Armagh as a Centre for Irish Language and Culture.

Assembly Accountability and Audit Report

Statement of Assembly Supply (Audited)

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

Summary of Resource Outturn 2015-16

Request for Resources	Note	Estimate			Outturn			2015-16 £000	2014-15 £000
		Gross Expenditure £000	Accruing Resources £000	Net Total £000	Gross Expenditure £000	Accruing Resources £000	Net Total £000	Net total outturn compared with Estimate: saving/(excess) £000	Outturn £000
A	SOAS1	120,862	(796)	120,066	117,781	(788)	116,993	3,073	138,262
Total resources	SOAS2	120,862	(796)	120,066	117,781	(788)	116,993	3,073	138,262
Non-operating cost Accruing Resources		-	-	-	-	-	-	-	185

Net Cash Requirement 2015-16

Net cash requirement	Note	Estimate		Outturn		2015-16 Net total outturn compared with Estimate: Outturn saving/(excess) £000	2014-15 Outturn £000
		£000	£000	£000	£000	£000	£000
Net cash requirement	SOAS3	123,200		114,925		8,275	134,284

Summary of income payable to the Consolidated Fund

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

Total	Note	Forecast 2015-16		Outturn 2015-16	
		£000 Income	£000 Receipts	£000 Income	£000 Receipts
Total	SOAS4	16	16	208	208

Explanations of variances between Estimate and Outturn are given in Note SOAS1 and in the Management Commentary.

SOAS1 Analysis of net resource outturn by function (Audited)

	2015-16						2014-15		Estimate	Outturn	Prior-year Outturn	Note
	€000						€000					
	Admin	Other current	Grants	Gross resource expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate	Net Total outturn compared with Estimate, adjusted for virements			
Request for resources A:												
Departmental Expenditure in DEL												
Inland Fisheries and Waterways	226	5,505	79	5,810	(536)	5,274	5,615	341	37	5,529		
Miscellaneous Library and other services	1,955	61	439	2,455	-	2,455	2,529	74	123	1,404		
Arts	1,624	501	4,236	6,361	-	6,361	5,774	(587)	144	4,503	1	
Museums	1,285	68	102	1,455	-	1,455	1,442	(13)	35	964		
W5	-	-	-	-	-	-	-	-	-	409		
Sports	1,230	1,440	13,066	15,736	(189)	15,547	16,580	1,033	811	27,586	2	
Cultural Policy	137	620	487	1,244	-	1,244	2,375	1,131	786	1,519	3	
Public Record Office of Northern Ireland	167	5,097	40	5,304	(63)	5,241	5,326	85	128	4,562		
Language Body Departmental Overheads	951	(1)	-	950	-	950	1,133	183	183	720	4	
Waterways Ireland Departmental Overheads	194	61	-	255	-	255	285	30	30	156	5	
Annually Managed Expenditure (AME)												
Provisions	-	25	-	25	-	25	30	5	5	29	6	
Revaluations	-	185	-	185	-	185	250	65	65	(28)	7	
Non-Budget												
Arts Council of Northern Ireland	-	-	10,952	10,952	-	10,952	10,952	-	-	13,611		
National Museums and Galleries Northern Ireland	-	-	12,313	12,313	-	12,313	12,674	361	361	15,048		
Sports Council for Northern Ireland	-	-	9,886	9,886	-	9,886	9,693	(193)	-	13,660		
Northern Ireland Library Authority	-	-	30,693	30,693	-	30,693	31,526	833	204	34,405	8	
Armagh Observatory and Planetarium	-	-	1,728	1,728	-	1,728	1,642	(86)	-	1,710		
Northern Ireland Screen	-	-	2,120	2,120	-	2,120	2,000	(120)	-	2,115		
Northern Ireland Museums Council	-	-	317	317	-	317	259	(58)	-	273	9	
Language Body	-	-	4,605	4,605	-	4,605	4,433	(172)	-	5,153		
Waterways Ireland	-	-	3,423	3,423	-	3,423	3,467	44	44	2,939		
Notional Charges	1,964	-	-	1,964	-	1,964	2,081	117	117	1,995		
Resource Outturn	9,733	13,562	94,486	117,781	(788)	116,993	120,066	3,073	3,073	138,262		

Explanation of variances between Estimate and Outturn

1 Arts	Towards the end of the year the Department authorised increased spending beyond the budget in this area to offset anticipated underspends of budget arising elsewhere.
2 Sports	The Department permitted re-allocation of anticipated underspends in this function to areas requiring additional budget cover at year end.
3 Cultural Policy	The Department permitted re-allocation of anticipated underspends in capital grants to areas requiring additional budget cover at year end.
4 Language Body Departmental Overheads	The budget allocated to this function in relation to the Voluntary Exit Scheme was in excess of the final requirement.
5 Waterways Ireland Departmental Overheads	The budget allocated to this function in relation to the Voluntary Exit Scheme was in excess of the final requirement.
6 Provisions	The amount of budget cover allocated was based on estimated expenditure and has returned a small underspend.
7 Revaluations	Indices at year end determined that asset values had not decreased to the level anticipated.
8 Northern Ireland Library Authority	The reduction in cash requirement is due to creditors at year end being higher than estimated.
9 Northern Ireland Museums Council	Towards the end of the year the Department authorised increased spending beyond the budget in this area to offset anticipated underspends of budget arising elsewhere.

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

SOAS2 Reconciliation of outturn to net operating cost and against Administration Budget (Audited)

		2015-16		2014-15	
		£000		£000	
	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
Net Resource Outturn	SOAS1	116,993	120,066	(3,073)	138,262
Prior Period Adjustments	25	-	-	-	(49)
Non-supply income (CFERs)	SOAS4	(196)	(16)	(180)	(4)
Transfer of Assets: Capital Grant	7.1a	178	-	178	-
Net Operating Cost		116,975	120,050	(3,075)	138,209

SOAS3 Reconciliation of net resource outturn to net cash requirement (Audited)

	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
Resource Outturn	SOAS1	120,066	116,993	3,073
Capital				
Acquisition of property, plant and equipment	7.1a	770	95	675
Acquisition of intangible assets	8.1	-	639	(639)
Non operating Accruing Resources				
Proceeds of asset disposals		-	-	-
Reimbursement of capital costs		-	-	-
Accruals to cash adjustments				
Non-cash items	3, 4, 5, 6	(3,636)	(3,466)	(170)
Changes in working capital other than cash		6,000	644	5,356
Use of provision	17	-	20	(20)
Prior Period Adjustment		-	-	-
Excess cash receipts surrenderable to the Consolidated Fund	SOAS5	-	-	-
Net cash requirement		123,200	114,925	8,275

SOAS4 Income payable to the Consolidated Fund (Audited)**SOAS4.1 Analysis of income payable to the Consolidated Fund**

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

	Note	Forecast 2015-16		Outturn 2015-16	
		£000	£000	£000	£000
		Income	Receipts	Income	Receipts
Operating income and receipts - excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resources		16	16	196	196
		16	16	196	196
Non-operating income and receipts – excess Accruing Resources	SOAS6	-	-	-	-
Amounts collected on behalf of the Consolidated Fund	SOAS1.2	-	-	12	12
Excess cash surrenderable to the Consolidated Fund	SOAS3	-	-	-	-
Total income payable to the Consolidated Fund		16	16	208	208

SOAS4.2 Consolidated Fund Income

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

	2015-16 £000	2014-15 £000
Fines and penalties	12	11

SOAS5 Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (Audited)

	2015-16 £000	2014-15 £000
	Note	
Operating income	6 984	655
Gross income	984	655
Income authorised to be Accruing Resources	(788)	(651)
Operating income payable to the Consolidated Fund	196	4

SOAS5.1

SOAS6 Non-operating Income - Excess Accruing Resources (Audited)

	2015-16 £000	2014-15 £000
Proceeds on disposal of Property, Plant and Equipment	-	(5)
Non-operating income - excess Accruing Resources	-	(5)

Other Assembly Accountability Disclosure notes

Remote Contingent Liabilities

The Department has entered into quantifiable indemnities of £3,129k to cover local museums borrowing objects from exhibitions as at 31 March 2016. None of these is a contingent liability since the likelihood of a transfer of economic benefit in settlement is too remote. Further detail is provided within Note 18.3 to the accounts on page 140.

The Core Department has also entered into a Guarantee Agreement with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in respect of Armagh Observatory, Armagh Planetarium, Arts Council of Northern Ireland, Northern Ireland Library Authority and Northern Ireland Screen. The Department has guaranteed any and all obligations in respect of pension liabilities if any of these NDPBs ceases to exist or is otherwise unable to discharge its liabilities under the Local Government Pension Scheme Regulations (Northern Ireland) 2002.

Long Term Expenditure Trends

Resource

	2013-14	2014-15	£'000
	Outturn	Outturn	Outturn
Resource DEL			
Arts	26,239	16,955	15,257
Museums	18,182	16,953	16,338
Libraries	32,453	30,765	30,826
Sports	15,416	12,551	11,306
Cultural Policy	1,793	1,028	946
Fisheries	5,377	5,435	4,853
Languages Body	5,742	5,394	5,521
Waterways Ireland	4,791	3,975	4,550
Public Record Office	4,574	4,518	5,072
Total Resource DEL	114,567	97,574	94,669
<i>Of Which:</i>			
Income	(26,420)	(25,540)	(26,211)
Salary Costs	45,396	44,450	45,101
Current Grants	33,635	24,470	20,397
Depreciation Costs	5,514	5,500	5,777
Other Expenditure	56,442	48,694	49,605
Total Resource DEL	114,567	97,574	94,669
Resource AME			
Arts	341	196	194
Museums	(241)	(302)	(39)
Libraries	6,081	7,306	8,309
Sports	237	280	219
Fisheries	12	14	210
Languages Body	201	207	207
Waterways Ireland	377	387	377
Public Record Office	(122)	(20)	-
Total Resource AME	6,886	8,068	9,477
<i>Of Which:</i>			
Other Expenditure	3,955	3,492	3,896
Depreciation Costs	2,931	4,576	5,581
Total Resource AME	6,886	8,068	9,477
Total Resource Budget			
	121,453	105,642	104,146
<i>Of Which:</i>			
Income	(26,420)	(25,540)	(26,211)
Salary Costs	45,396	44,450	45,101
Current Grants	33,635	24,470	20,397
Depreciation Costs	8,445	10,076	11,358
Other Expenditure	60,397	52,186	53,501
Total Resource Budget	121,453	105,642	104,146

Long Term Expenditure Trends Capital

	2013-14 Outturn	2014-15 Outturn	£'000 2015-16 Outturn
Capital DEL			
Arts	1,280	2,668	2,837
Museums	1,639	2,951	1,463
Libraries	8,772	3,959	468
Sports	18,523	25,722	13,950
Cultural Policy	144	527	16
Fisheries	868	386	718
Languages Body	-	-	20
Waterways Ireland	250	248	604
Public Record Office	(1,211)	51	34
Total Capital DEL	30,265	36,512	20,110
<i>Of Which:</i>			
Capital Grants	19,809	28,139	16,903
Capital Purchases and Disposals	10,456	8,373	3,207
Total Capital DEL	30,265	36,512	20,110

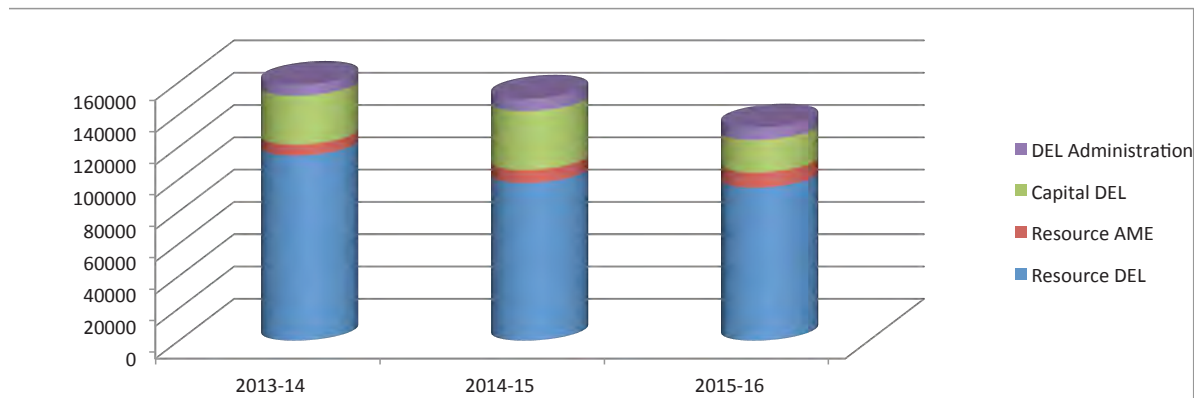
DEL Administration Costs			
Administration Costs	6,633	6,818	7,669
Total Administration Budget	6,633	6,818	7,669
<i>Of Which:</i>			
Salary Costs	5,886	6,925	6,925
Other Expenditure	742	687	739
Depreciation Costs	5	5	5
Total Administration Budget	6,633	7,617	7,669

Total Departmental Spending	158,351	148,972	131,925
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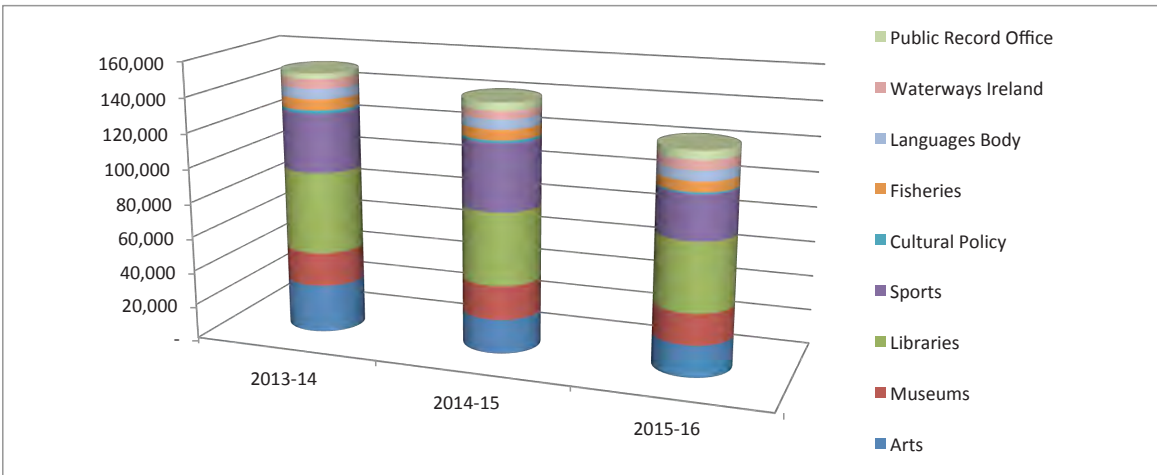
Of which:

DEL	151,465	140,904	122,448
AME	6,886	8,068	9,477

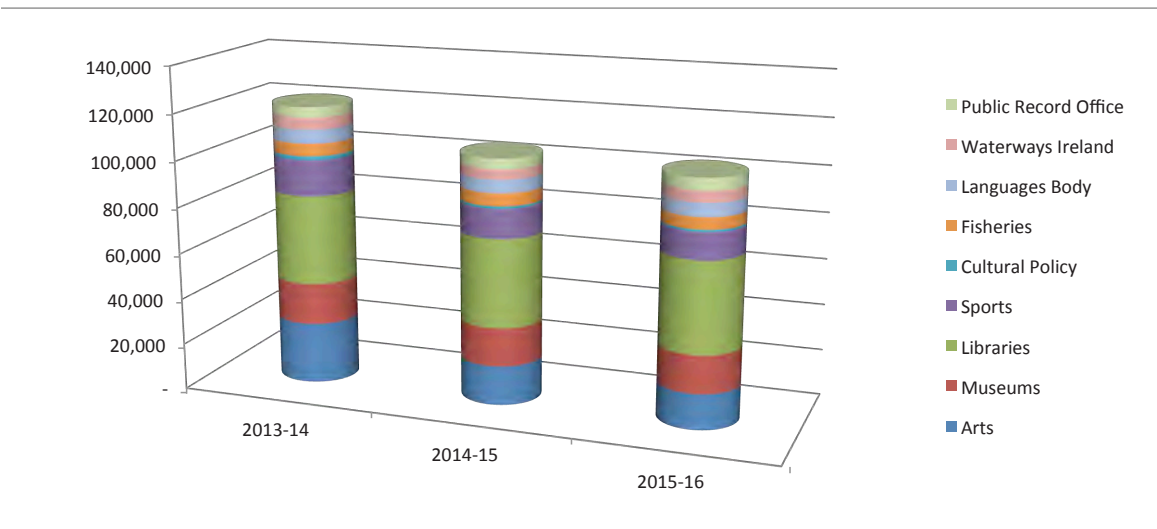
Total Outturn by Budget Category £'000s



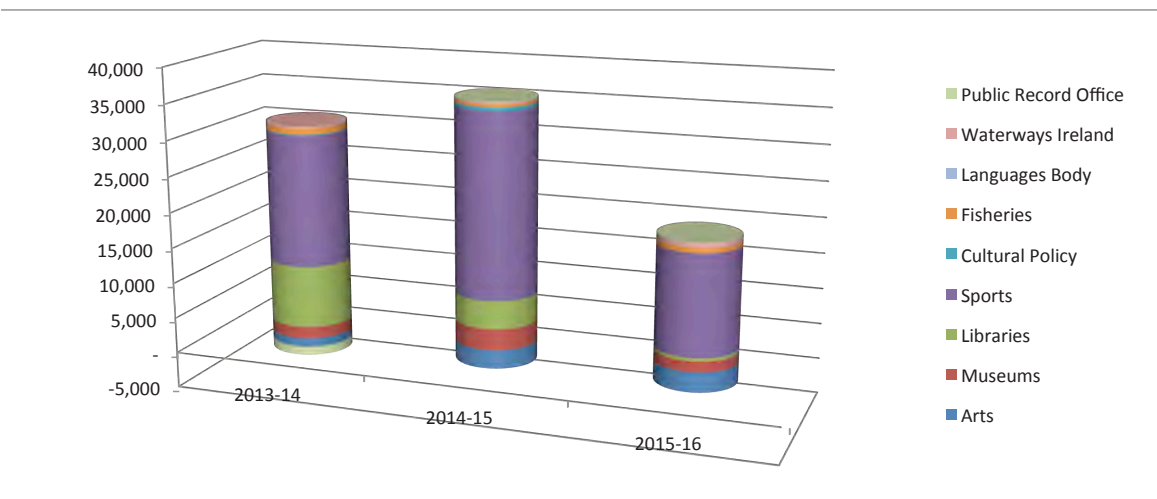
Total Outturn by Function £'000s



Resource Outturn by Function £'000s



Capital Outturn by Function £'000s



Leo O'Reilly
Accounting Officer
27 June 2016

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

I certify that I have audited the financial statements of the Department of Culture, Arts and Leisure for the year ended 31 March 2016 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Assembly Supply and the related notes and the information in the Remuneration and Staff Report and Accountability Report that is described in those Reports as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2016 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion;

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2016 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance (formerly the Department of Finance and Personnel) directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Assembly Accountability disclosures to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report or 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 Department of Finance's.

Report

I have no observations to make on these financial statements



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

30 June 2016

Financial
Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2016

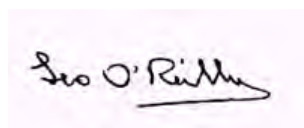
This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2015-16 £000	2014-15 £000
	Note	Core Department	Core Department
Income from the sale of goods and services	6	665	630
Other operating Income	6	319	25
Total Operating Income		984	655
Staff Costs	3	13,477	11,770
Grants	5	94,664	117,425
Accommodation Costs	4,5	1,005	1,127
Office Services	4,5	1,341	1,204
Depreciation and impairment charges	4,5	1,442	1,237
Provision Expense	4,5	28	29
Other Operating Expenditure	4,5	6,002	6,072
Total Operating Expenditure		117,959	138,864
Net expenditure for the year	SOAS2	116,975	138,209
Other Comprehensive Net Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	7	(2,341)	(2,203)
Net (gain)/loss on revaluation of Intangible Assets		(12)	60
Total Comprehensive Net Expenditure for the year ended 31 March 2016		114,622	136,066

Statement of Financial Position as at 31 March 2016

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

		31 March 2016 €000	31 March 2015 €000
	Note	Core Department	Core Department
Non-current assets:			
Property, plant and equipment	7.1	36,416	35,821
Heritage assets	7.2	680	680
Intangible assets	8	1,924	1,087
Total non-current assets		39,020	37,588
Current assets:			
Inventories	13	324	244
Trade and other receivables	15	785	2,634
Cash and cash equivalents	14	1	1
Total current assets		1,110	2,879
Total assets		40,130	40,467
Current Liabilities			
Trade and other payables	16	(12,656)	(15,065)
Provisions	17	(43)	(38)
Total current liabilities		(12,699)	(15,103)
Non-current assets less net current liabilities		27,431	25,364
Non-current liabilities			
Provisions	17	-	-
Total non-current liabilities		-	-
Total assets less liabilities		27,431	25,364
Taxpayers' equity & other reserves:			
General fund		18,686	18,575
Revaluation reserve		8,745	6,789
Total equity		27,431	25,364



Leo O'Reilly
Accounting Officer
27 June 2016

Statement of Cash Flows for the year ended 31 March 2016

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

		2015-16 £000	2014-15 £000
	Note		
Cash flows from operating activities			
Net operating cost		(116,975)	(138,209)
Adjustments for non-cash transactions	3, 4, 5	3,644	3,263
(Increase)/Decrease in trade and other receivables	15	1,849	(1,610)
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	15	(1,657)	1,376
(Increase)/Decrease in Inventories	13	(80)	(80)
Increase/(Decrease) in trade and other payables	16	(2,409)	3,322
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	16	2,293	(1,094)
Use of provisions	17	(20)	(6)
Net cash outflow from operating activities		(113,355)	(133,038)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(735)	(1,197)
Purchase of intangible assets	8	(639)	(45)
Purchase of heritage assets	7.2	-	-
Proceeds of disposal of property, plant and equipment		-	5
Net cash inflow from investing activities		(1,374)	(1,237)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		114,434	132,141
From the Consolidated Fund (Supply) - prior year		2,144	774
Net financing		116,578	132,915
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		1,849	(1,360)
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		12	11
Payments of amounts due to the Consolidated Fund		(36)	(354)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		1,825	(1,703)
Cash and cash equivalents at the beginning of the period	14	(2,123)	(420)
Cash and cash equivalents at the end of the period	14	(298)	(2,123)

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2016

This statement shows the movement in the year on different reserves held by the Department of Culture, Arts and Leisure, analysed into 'general fund reserves' (i.e. Those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets and liabilities of a Department, to the extent that the total is not represented by other reserves and financing items.

		General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 1 April 2014	Note	20,217	4,942	25,159
Net Assembly Funding		134,285	-	134,285
Comprehensive Net Expenditure for the Year		(138,209)	2,143	(136,066)
CFERs payable to the Consolidated Fund	SOAS6, SOAS7	(9)	-	(9)
Auditor's Remuneration	4	65	-	65
Notional Charges	3,4	1,930	-	1,930
Transfers between reserves		296	(296)	-
Balance at 31 March 2015		18,575	6,789	25,364
Net Assembly Funding		114,924	-	114,924
Comprehensive Net Expenditure for the Year		(116,975)	2,353	(114,622)
CFERs payable to the Consolidated Fund	SOAS5	(196)	-	(196)
Auditor's Remuneration	4	65	-	65
Notional Charges	3, 4	1,899	-	1,899
Transfer out of Property, Plant and Equipment	7.1a	(181)	-	(181)
Portion of transfer treated as capital grant under Local Government Act (Northern Ireland) 2014 transfer scheme	7.1a	178	-	178
Transfers between reserves		397	(397)	-
Balance at 31 March 2016		18,686	8,745	27,431

Revaluation Reserve in respect of Intangible Assets

	£000
Balance as at 1 April 2015	402
Net gain on revaluation of intangible assets	12
Balance as at 31 March 2016	414

Notes to the Annual Report and Accounts for the period ended 31 March 2016

1. Statement of accounting policies

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

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

1.1 Accounting convention

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

1.2 Property, plant and equipment

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

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

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

1.3 Depreciation

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

Asset lives are normally in the following ranges:

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

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

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

1.4 Intangible assets

Sporting and Fishing Rights

Intangible assets comprise sporting and fishing rights and are valued at modified historical cost, as this is considered a proxy for fair value in the absence of value in use, or the fair value attributed at the time of acquisition subsequently indexed. Sporting and fishing rights are not amortised. This is supported by annual impairment reviews using the latest available indices published in ‘Retail Price Indices CHAW’ which are the indices applied to internally developed software, externally developed software, software licences and licences, trademarks and artistic originals as prepared by the Office for National Statistics to ensure that the carrying value of the intangible asset does not exceed its recoverable amount. Valuations were carried out by Land and Property Services Agency for all intangible assets as at 31 March 2015.

Carbon Reduction Commitment Energy Efficiency Scheme

The Carbon Reduction Commitment (CRC) Energy Efficiency Scheme is a UK-wide mandatory trading scheme which was brought into law in April 2010 under the CRC Energy Efficiency Scheme Order 2010. It is aimed at improving energy efficiency and cutting CO₂ emissions in large public and private sector organisations.

Where the Department purchases more CRC allowances than utilised in-year, these are classed as current intangible assets. Non-current intangible asset classification applies where allowances will be held for a period of greater than one year provided they meet the Department minimum threshold for capitalisation of £1,000. Settlement of the existing liability as a result of in-year CO₂ emissions will be recognised as a liability at year-end and reflected in the Statement of Financial Position. This is in line with accounting for the CRC Scheme as laid out in the FReM. Allowances are payable to the Department of Energy and Climate Change on an annual basis.

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

Software

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

1.5 Heritage assets

The official records stored and maintained by PRONI, and private records donated to PRONI, constitute the archival heritage of Northern Ireland and are treated as non-operational Heritage Assets. Legislatively they cannot be disposed of. The collection held at 31 March 2016 is not recorded in the Statement of Financial Position as it is not possible to provide a robust valuation for these records.

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

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

Secondly, in 2012-13, the Department purchased the family, estate and political papers of the Stewart family, marquesses of Londonderry, dating from the

seventeenth to mid – twentieth centuries comprising 30,000 documents. These include the Londonderry estate papers (D654), the Theresa, Lady Londonderry papers (D2846) and the papers of the 7th Marquess of Londonderry (3099). These have been capitalised at £665,000.

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

http://www.proni.gov.uk/index/professional_information/preservation.htm.

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

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

1.7 Donated assets

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

1.8 Inventories

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

1.9 Revenue Recognition

Supply Funds

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

Operating Income

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

1.10 Administration and Programme expenditure

The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the FReM by DFP. An analysis of administration expenditure and programme expenditure can be found in notes 4 and 5 respectively.

1.11 Financial assets

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

1.12 Financial liabilities

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

1.13 Foreign exchange

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

1.14 Pensions

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

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

1.15 Leases

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

1.16 Grants payable and receivable

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

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

1.17 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the best estimate of

the expenditure required to settle the obligation. Where the time value of money is significant the cash flows are discounted using the appropriate Treasury discount rate.

1.18 Contingent liabilities

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

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

1.19 Value added tax

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

1.20 Employee Benefits

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

1.21 Related Party Transactions

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

The Department sponsors the public sector bodies outside the Departmental accounting boundary in 2015-16 as listed in the Directors' Report. These public sector bodies receive grant funding from the Department.

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

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

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

1.22 Reserves

General Reserve

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

Revaluation Reserve

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

1.23 Impending application of newly issued accounting standards not yet effective

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

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

2 Statement of Operating Costs by Operating Segment

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

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

Operating Segment	2015-16		2014-15	
	£000	£000	£000	£000
	Net Resource Outturn	Capital Outturn	Net Resource Outturn	Capital Outturn
Arts:				
Arts Council of Northern Ireland	11,301	214	13,338	843
Northern Ireland Screen	2,035	-	2,054	-
Other	2,115	2,623	1,844	1,823
Museums:				
National Museums and Galleries of Northern Ireland	13,856	1,290	14,283	2,771
Armagh Observatory & Planetarium	1,963	173	1,788	180
Northern Ireland Museums Council	310	-	264	-
W5	-	-	409	-
Other	170	-	180	-
Libraries:				
Northern Ireland Library Authority	38,707	396	36,684	4,031
Other	428	72	385	-
Sport:				
Sports Council for Northern Ireland	9,865	1,248	10,288	3,400
Other	1,660	12,702	2,334	22,269
Public Record Office of Northern Ireland	5,072	34	4,499	51
Inland Fisheries	5,063	718	5,452	386
Other Reportable Segments	19,270	640	17,809	775
Net Outturn	111,815	20,110	111,611	36,529

2.1 Reconciliation between Operating Segments and SoCNE/SoFP

2.1.1 Net Resource Outturn

(a) Current Year

2015-16

£000

	Inland Other Reportable							Total
	Arts	Museums	Libraries	Sport	PRONI	Fisheries	Segments	
Net Resource Outturn by operating segment	15,451	16,299	39,135	11,525	5,072	5,063	19,270	111,815
Administration expenditure	1,624	1,284	1,955	1,131	168	226	(6,388)	-
Capital Grants	2,623	-	72	12,756	-	-	161	15,612
Grants-in-aid payable to Non Departmental Public Bodies	13,072	14,358	30,693	9,886	-	-	8,028	76,037
Resource Consumption of Non Departmental Public Bodies	(13,336)	(16,129)	(38,707)	(9,865)	-	-	(10,594)	(88,631)
Notional Charges	-	-	-	-	-	-	1,964	1,964
Asset Transfer: Capital Grant	-	-	-	-	-	-	178	178
Total per Statement of Comprehensive Net Expenditure	19,434	15,812	33,148	25,433	5,240	5,289	12,619	116,975

2014-15

£000

(b) Prior Year

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

2.1.2 Capital Outturn

(a) Current Year

2015-16

£000

	Arts	Museums	Libraries	Sport	PRONI	Inland Fisheries	Other Reportable Segments	Total
Capital Outturn by operating segment	2,837	1,463	468	13,950	34	718	640	20,110
Capital Grants	(2,623)	-	(72)	(12,756)	-	-	(161)	(15,612)
Resource Consumption of Non Departmental Public Bodies	(214)	(1,463)	(396)	(1,248)	-	-	(624)	(3,945)
(Gain)/Loss from the Sale of Property, Plant and Equipment	-	-	-	-	-	32	-	32
Deferred Income	-	-	-	-	-	-	149	149
Total Capital Additions	-	-	-	(54)	34	750	4	734

2014-15

£000

(b) Prior Year

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

3 Staff costs

Staff costs comprise:

	2015-16				2014-15	
	£000				£000	
	Permanently employed staff*	Others	Minister	Total	Total	
Wages and Salaries	9,166	190	38	9,394	9,240	
Voluntary Exit Scheme	1,493	-	-	1,493	-	
Social security costs	655	-	4	659	637	
Other pension costs	1,923	-	8	1,931	1,893	
Sub Total	13,237	190	50	13,477	11,770	
Less recoveries in respect of outward secondments	(99)	-	-	(99)	-	
Total net costs**	13,138	190	50	13,378	11,770	

**Of which:

	Charged to Administration	Charged to Programme	Total
Core department	6,974	6,404	13,378
Total net costs	6,974	6,404	13,378

Further staff disclosures are located in the Staff Report.

4 Other Administration Costs

		2015-16 £000	2014-15 £000
	Note	Core Department	Core Department
Rentals under operating leases		20	26
Other expenditure:			
Office Services		146	129
Contracted Out Services		145	135
Professional Costs		144	141
Staff Related Costs		95	94
Other		191	160
Non-cash items:			
Depreciation	7	5	4
Auditor's remuneration & expenses		65	65
Notional costs		1,849	1,880
Total		2,660	2,634

5 Programme Costs

		2015-16 £000	2014-15 £000
	Note	Core Department	Core Department
Current grants		74,655	80,377
Capital grants		19,831	37,048
Rentals under operating leases		114	(33)
Interest Charges		(8)	-
Other expenditure:			
Office Services		1,195	1,075
Accommodation Costs		1,005	1,127
Contracted Out Services		537	551
Professional Costs		405	746
Staff Related Costs		318	304
Consultancy Costs		177	12
Other		1,918	1,989
Non-cash items:			
Depreciation	7	1,233	1,232
Amortisation	8	20	30
Loss on disposal of property, plant and equipment	7	32	8
Provision(s) provided for in year	17	25	41
Provision(s) not required written back	17	-	(12)
Impairments (reversal)/charge	9	184	(29)
Transfer of Assets: Capital Grant	SoCTE	178	-
Provision for doubtful debts	15	3	(6)
Total		101,822	124,460

6 Income

	2015-16 £000			2014-15 £000
	Core Department			Core Department
	RfRA	Consolidated Fund	Total	Total
Fishing Permits and Licences	533	14	547	511
Public Record Office Fees	27	-	27	29
Rent from Sports Council for House of Sport	91	-	91	90
Income from the sale of goods and services	651	14	665	630
Recovery of Seconded Costs (Administration)	99	-	99	-
Other income	38	182	220	25
Other operating income	137	182	319	25
Total	788	196	984	655

7.1 Property, plant & equipment

a) Current year: 2015-16

	Land £000	Buildings £000	Information Technology £000	Plant & Machinery £000	Furniture & Fittings £000	Transport equipment £000	Assets under Construction £000	Total £000
Cost or valuation								
At 1 April 2015	2,046	33,462	472	1,877	729	1,644	564	40,794
Additions	-	(54)	16	16	3	78	36	95
Impairments	(85)	(174)	-	-	-	2	-	(257)
Reclassifications	-	403	(238)	114	-	-	(517)	(238)
Revaluations	-	2,353	(1)	1	3	8	-	2,364
Transfers	(40)	(156)	-	(2)	-	(20)	-	(218)
At 31 March 2016	1,921	35,834	249	2,006	735	1,712	83	42,540
Depreciation								
At 1 April 2015	-	2,345	159	1,277	424	768	-	4,973
Charged in year	-	878	23	121	56	160	-	1,238
Impairments	-	(74)	-	-	-	1	-	(73)
Revaluations	-	50	(1)	(20)	2	(8)	-	23
Transfers	-	(18)	-	(1)	-	(18)	-	(37)
At 31 March 2016	-	3,181	181	1,377	482	903	-	6,124
Carrying amount at 31 March 2016	1,921	32,653	68	629	253	809	83	36,416
Carrying amount at 31 March 2015	2,046	31,117	313	600	305	876	564	35,821
Asset financing:								
Owned	1,921	32,653	68	629	253	809	83	36,416
Carrying amount at 31 March 2016	1,921	32,653	68	629	253	809	83	36,416

All property, plant and equipment was revalued at 31 March 2016 through application of indices as published in "MM22 Producer Price Indices" prepared by the Office for National Statistics. Land and Buildings held by the Department were subject to professional valuation as at 31 March 2013 by the Land and Property Services Agency. The valuer has the qualification FRICS Dip Est Man.

The 2014-15 prior period adjustment was reversed following an HMRC ruling that the corrections went further back than the required period. This has resulted in the negative addition value (£54k) in buildings.

Information technology assets amounting to £238k (previously accrued at 31 March 2014-15) were reclassified to intangible assets under construction. Buildings assets of £114k (previously accrued at 31 March 2014-15) were reclassified to Plant & Machinery. On completion of the Ulster Scots Hub the asset (£517k) was removed from assets under construction and reclassified as buildings.

Inland Waterways assets with an NCRC of £178k were transferred to local government under The Local Government Act (Northern Ireland) 2014. The transfer has been treated as a capital grant.

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

7.1 Property, plant & equipment

b) Prior year: 2014-15

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

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

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

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

7.2 Non Operational Heritage Assets

	2015-16	2014-15
	£000	£000
At 1 April	680	680
Additions	-	-
Disposals	-	-
Carrying amount at 31 March 2016	680	680

8 Intangible assets

a) Current year: 2015-16

Cost	Sporting and fishing rights £000	Software Licences £000	Websites £000	Assets under Construction £000	Total £000
At 1 April 2015	938	130	54	50	1,172
Additions	-	2	-	637	639
Disposals	-	-	(54)	-	(54)
Reclassifications			-	238	238
Revaluation	11	2	-	-	13
At 31 March 2016	949	134	-	925	2,008
Amortisation					
At 1 April 2015	-	73	12	-	85
Charged in Year	-	10	10	-	20
Disposals	-	-	(22)	-	(22)
Revaluation	-	1	-	-	1
At 31 March 2016	-	84	-	-	84
Carrying amount at 31 March 2016	949	50	-	925	1,924
Carrying amount at 31 March 2015	938	57	42	50	1,087
Asset financing:					
Owned	922	50	-	925	1,897
Finance Leased	27	-	-	-	27
Carrying amount at 31 March 2016	949	50	-	925	1,924

Intangible assets were revalued at 31 March 2016 through the application of the 'Retail Price Indices CHAW' prepared by the Office for National Statistics. Professional valuations are carried out at 5-yearly intervals with the next professional valuation due on 31 March 2020. The valuer has the qualification FRICS Dip Est Man.

Six sporting and fishing rights to the value of £162k as at 31 March 2016, which were acquired by the Department under the derelict waters provision of the Fisheries Act (NI) 1966, are included within the above figure. The legislation does not itself convey legal title to these rights. Rather they are held in trust. These rights have been held by the Department since 1999 with no challenges made by other parties. Since the Department has been able to enjoy these rights in the past and since there is no current prospect of it not being able to do so in the future, it has been decided, on the basis of substance over legal form, to treat them as non-current assets.

Three sporting and fishing rights to the value of £28k meet the definition of finance leases as defined in note 1.15.

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

8 Intangible assets

b) Prior year: 2014-15

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

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

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

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

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

9 Impairments

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Impairment taken to Statement of Comprehensive Net Expenditure	184	(29)
Total impairment charge/(reversal) for the year	<u>184</u>	<u>(29)</u>

10 Capital and other commitments

10.1 Capital commitments

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Contracted capital commitments at 31 March not otherwise included in these financial statements	<u>56,038</u>	<u>68,223</u>
	56,038	68,223

Capital commitments relate to the Department's implementation of the Regional Stadium Development Programme in line with the key commitment under the Programme for Government. Following NI Executive funding allocation of £110 million, the Department implemented the management and development structures that are required for the effective delivery of the stadium programme during the 2015-16 financial year. £56 million is contractually committed under letters of offer.

10.2 Commitments under leases

10.2.1 Operating leases

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

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Obligations under operating leases for the following periods comprise:		
Land:		
Not later than one year	1	2
Later than one year and not later than five years	2	2
Later than five years	8	8
	<u>11</u>	<u>12</u>
Buildings:		
Not later than one year	55	31
Later than one year and not later than five years	208	118
Later than five years	271	218
	<u>534</u>	<u>367</u>
Other:		
Not later than one year	20	25
Later than one year and not later than five years	40	40
Later than five years	29	28
	<u>89</u>	<u>93</u>

10.2.2 Finance leases

The Department had no obligations under finance leases.

10.3 Commitments under PFI and other service concession arrangements

10.3.1 Off-balance sheet (SoFP)

The Department had no off-balance sheet commitments.

10.3.2 On-balance sheet (SoFP)

The Department had no on-balance sheet commitments.

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

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

10.4 Other financial commitments

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

	2015-16 £000	2014-15 £000
Not later than one year	537	490
Later than one year but not later than five years	889	461
Later than five years	1,815	1,610
	3,241	2,561

11 Financial Instruments

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

12 Investments in other public sector bodies

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

13 Inventories

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Fish	260	176
Other	64	68
Total	324	244

14 Cash and Cash Equivalents

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Balance at 1 April	(2,123)	(420)
Net change in cash and cash equivalents	1,825	(1,703)
Balance at 31 March	(298)	(2,123)
The following balances at 31 March were held at :		
Commercial Banks	(299)	(2,124)
Cash in Hand	1	1
Balance at 31 March	(298)	(2,123)

15 Trade receivables and other current assets

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Amounts falling due within one year:		
Trade receivables	28	255
Provision for doubtful debts	(5)	(2)
VAT	101	74
Other receivables	6	20
Prepayments and accrued income	165	143
	295	490
Amounts due from the Consolidated Fund in respect of supply	490	2,144
	785	2,634

16 Trade payables and other current liabilities

	2015-16 £000	2014-15 £000
	Core Department	Core Department
Amounts falling due within one year:		
Bank Overdraft	299	2,124
Other taxation and social security	-	-
Trade payables	46	55
Other payables	-	-
Accruals and deferred income	3,876	2,673
Government grant	8,243	10,193
	12,464	15,045
Consolidated Fund extra receipts due to be paid to the Consolidated Fund received	192	20
	192	20
	12,656	15,065

17 Provisions for liabilities and charges

a) Current year: 2015-16

	Legal Claims £000	Core Department Total £000
Balance at 1 April 2015	38	38
Provided in the year	25	25
Provisions not required written back	-	-
Provisions utilised in the year	(20)	(20)
Balance at 31 March 2016	43	43

Analysis of expected timing of discounted flows

	Legal Claims £000	Core Department Total £000
Not later than one year	43	43
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March 2016	43	43

b) Prior year: 2014-15

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

Analysis of expected timing of discounted flows

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

18. Contingent liabilities disclosed under IAS 37

18.1 Quantifiable

The Department has no contingent liabilities at the period end.

18.2 Unquantifiable

The Department has no contingent liabilities at the period end.

18.3 Financial Guarantees, Indemnities and Letter of Comfort

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

	1 April 2015 £000	Increase / (Decrease) in year £000	31 March 2016 £000	Amount reported to Assembly £000
Indemnities to cover local museums borrowing objects for exhibitions	3,131	(2)	3,129	3,214
	3,131	(2)	3,129	3,214

The Core Department has also entered into a Guarantee Agreement with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in respect of Armagh Observatory, Armagh Planetarium, Arts Council of Northern Ireland, Northern Ireland Library Authority and Northern Ireland Screen. The Department has guaranteed any and all obligations in respect of pension liabilities if any of these NDPBs ceases to exist or is otherwise unable to discharge its liabilities under the Local Government Pension Scheme Regulations (Northern Ireland) 2002.

19. Related-party transactions

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

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

The Permanent Secretary, Dr Denis McMahon is related to the chair of the Trustees of National Museums Northern Ireland. During 2015-16, the Department paid National Museums Northern Ireland £12,313k in Grant in Aid.

The Finance Director, Mr David Carson is related to the Chief Executive of Waterways Ireland. During 2015-16, the Department paid Waterways Ireland £3,423k in Grant in Aid.

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

20. Third Party Assets

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

21. Entities within the departmental boundary

There were no entities within the departmental boundary during 2015-16.

22. Events after the Reporting Period

1) Adjusting Events

There were no events after the reporting date which would require adjustment to the financial statements.

2) Non-adjusting Events

23. Going Concern

The 2015-16 Annual Report and Accounts have been prepared on a going concern basis. The reduction in the number of NICS Departments in May 2016 from 12 to 9 constitutes a Machinery of Government change and the functions of the Department of Culture, Arts and Leisure will transfer to the Department for Communities, the Department for Agriculture, Environment and Rural Affairs and the Department for Infrastructure.

24. Northern Ireland Events Company Limited

On 22 November 2007 the Northern Ireland Executive decided to meet the liabilities of NIEC, a company sponsored by this Department. By 31 March 2016, the Department had settled NIEC liabilities to the value of £1,552,238 (by 31 March 2015, settled liabilities were valued at £1,453,627). At 31 March 2016 the books of NIEC recorded a creditor of £1,552,238 (31 March 2015: £1,453,627) in respect of these payments made by the Department to settle liabilities of the company. No corresponding debtor is reported in the accounts of the Department since there is no prospect of this amount being recovered from NIEC.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 30 June 2016.

