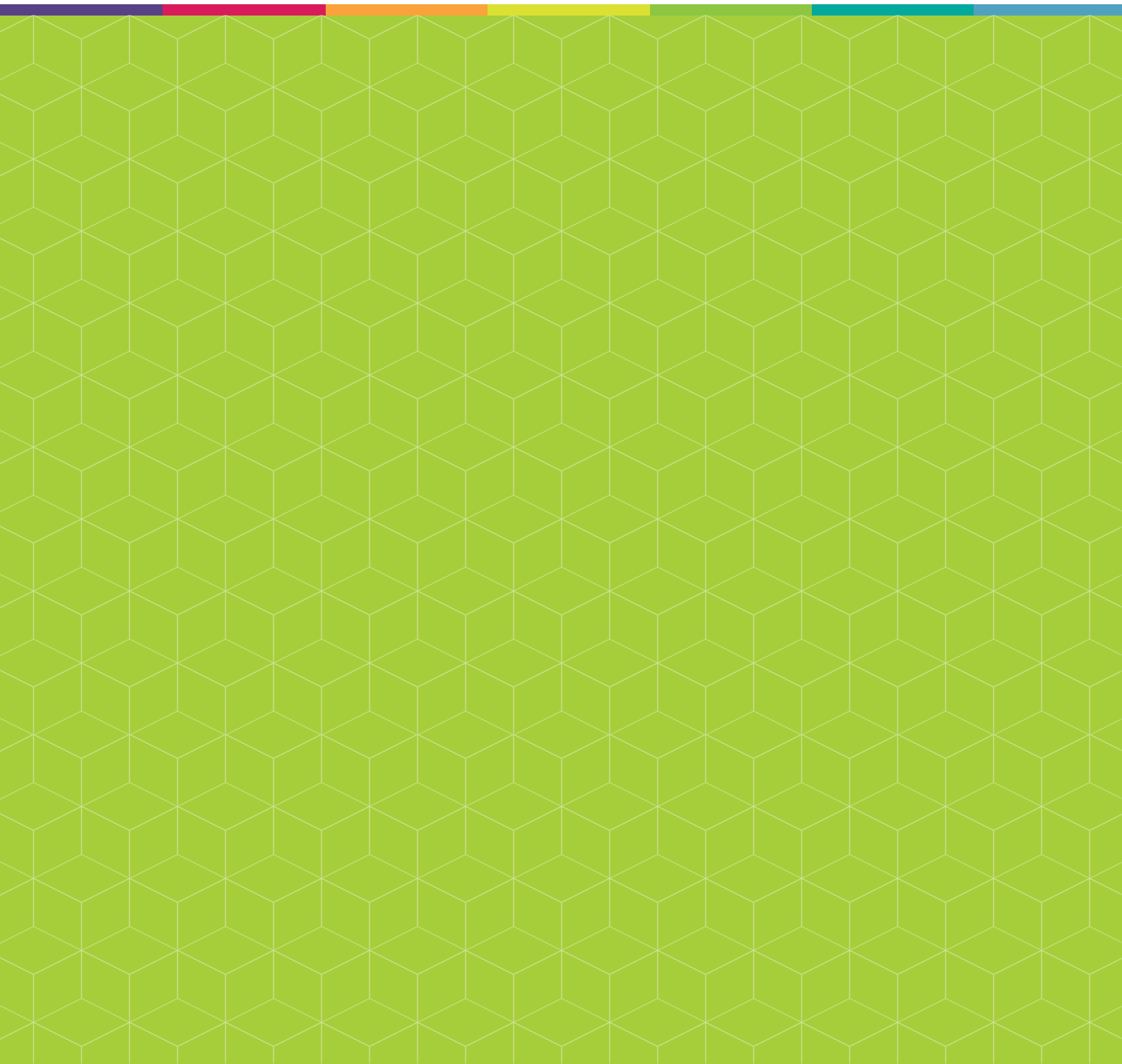


CCEA Annual Report 2017–18



Northern Ireland Council
for the Curriculum,
Examinations and Assessment

**Annual Report and Accounts
for the Year Ended 31 March 2018**

Laid before the Northern Ireland Assembly
under the Education (Northern Ireland) Order 1998,
Schedule 3, Article 73, Paragraph 13(c)
by the Department of Education
on 06 July 2018

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01

Performance Report

“

Our mission is to:

**enable the full potential of all
learners to be achieved and
recognised.**

”

Chief Executive's Foreword



CCEA places learners at the centre of our values and, through our work, we enable the full potential of all learners to be achieved and recognised. During 2017–18, we continued to deliver our strategic aims:

- meeting the needs of the Department of Education and supporting the Department for the Economy;
- meeting and supporting the needs of key stakeholders and customers;
- improving the quality and standards in everything we do;
- providing leading solutions for education; and
- managing our resources effectively, efficiently and economically.

Like many public bodies, CCEA has had to work under financial constraints and with reduced resources. This has required us to think differently about what services we deliver and how we deliver them. In this environment, partnership working and digital transformation are key to our success.

CCEA continues to work in partnership with other curriculum and regulatory bodies. Policy differences between jurisdictions are challenging, particularly in regards to qualifications. For example, we have commenced the implementation of new GCSE grades and we have created a range of resources for teachers, parents and learners to explain the changes and differences.

We are also working with further education colleges and higher education institutions to ensure that our qualifications remain relevant, portable and recognised. For example, partnership work has resulted in the Irish Universities Association agreeing to accept GCE Moving Image Arts, GCE Digital Technology, GCE Environmental Technology and GCE Software Systems Development for entry in 2018.

Almost 9 in 10 GCSEs now taken in Northern Ireland are CCEA qualifications, establishing us as the qualifications provider of choice. Our share of GCE entries grew by 4.6 percentage points to 80.5% of the market. This increased confidence in CCEA follows the completed revision of GCE and GCSE specifications.

As part of the revision of qualifications, we introduced new qualifications to encourage young people to consider curriculum and skills pathways aimed at addressing skills shortages. For example, we introduced Digital Technology and Life and Health Sciences in response to the growing skills needs of the digital and science industries. We also introduced GCSE Government and Politics and GCSE Statistics to give learners more choice.

The Northern Ireland Curriculum is now more than a decade old. We recognise the world of work is changing and that the introduction of new technologies, such as artificial intelligence, requires us to consider changes in the curriculum and qualifications. Our monitoring of the curriculum, assessment and qualifications has led us to prepare for future changes to the curriculum. For example, working in partnership with Queen's University and major employers, we have provided training and support for primary and post-primary teachers in digital skills, so that they are prepared for a new generation of curriculum changes. In April 2017, we hosted 24 member states of the European Commission to view how our curriculum encourages and develops digital skills.

Achievement in mathematics is key to successful futures for our young people. This financial year, CCEA focused on teaching problem solving in mathematics, providing a conference and materials for educators on the topic. We have also introduced 'Functional Mathematics' into our revised GCSE specification, rewarding problem solving and application skills through our assessment arrangements. We will continue our support for the teaching of mathematics, particularly the application of mathematics skills and mathematical problem solving.

CCEA has also continued to provide support for those educators equipping learners to become more active, responsible and engaged citizens. For example, this year also saw the expansion of our controversial issues suite of resources, with the launch of Understanding 1917. This digital resource supports teachers who wish to teach learners about the many significant historical events that took place in 1917.

As an internationally recognised organisation for our work in the Special Educational Needs curriculum, we hosted visitors from the Singapore Ministry of Education, who wished to learn from our approach. Our Q Skills curriculum is already used in New Zealand and parts of Australia. We have also piloted advanced technology, called Quest for Learning, which allows teachers to monitor and review the educational progress of learners with profound and severe learning disabilities, and share this securely with parents or guardians. Learning from this project is informing other work.

We have also supported Shared Education by introducing workshops that enable educators to understand how schools can use the curriculum to enable Shared Education projects. Our support for Shared Education initiatives will continue in the next financial year, with a specific focus on post-primary participation in projects.

Like many organisations across the public and private sectors, we have faced significant financial pressures. Technology has played an important part in improving the efficiency and reliability of our service, but it is not the only solution. This year we piloted a new software technology to manage and administer Special Consideration applications. Due to the success of the pilot, the new software will be made available to all schools in 2018–19. Other technology changes mean that CCEA now has the capacity to mark over 80% of its examinations online. This technology means that schools can access itemised information through CCEA Analytics, which gives them the power to more accurately support individual learner's needs. Technology also provides the opportunity to improve the reliability of assessment and examinations arrangements and we continue to explore it for this purpose.

To address some of the further financial pressures in 2018–19, CCEA initiated a further round of the voluntary exit scheme (VES). Eight staff are leaving under the VES: a workforce reduction of 68 people in the past three years.

Financial pressure has also required us to withdraw some services. This year we chose to withdraw our provision of Essential Skills qualifications, choosing instead to focus on the regulation of other providers of these qualifications. We will also be withdrawing our provision of GCE History of Art.

The sustained and prolonged industrial action within the education sector is affecting the involvement of teaching staff in key CCEA activities. This is challenging us to think differently about how, in the future, we can support teaching staff and their schools. We are also monitoring assessment arrangements and considering alternative approaches that may be required.

Finally, CCEA is an important organisation that continues to address the needs of our young people through the curriculum, assessment and qualifications. Through these services, CCEA addresses what learners should learn, why they should learn it and rewards learning when it has taken place. I would like to put on record my thanks to the dedicated staff and partners who have helped CCEA succeed in this role.

Justin Edwards
Chief Executive
CCEA

About CCEA

CCEA is the Council for the Curriculum, Examinations and Assessment. It is a non-departmental body funded by and responsible to the Department of Education (DE). We put learners at the centre of everything we do. We think about what learners need for life and work and then build services to meet those needs. We do this for all levels of education.

CCEA was established on 1 April 1994 under the Educational and Libraries (Northern Ireland) Order 1993. It replaced the Northern Ireland Curriculum Council (NICC) and the Northern Ireland Schools Examinations and Assessment Council (NISEAC).

As a key organisation in the education sector, CCEA:

- provides research and advice to DE on what is taught and assessed in our local schools and colleges;
- delivers assessment arrangements for primary and post-primary schools;
- supports teachers in delivering the Northern Ireland Curriculum through a wide range of freely available resources;
- provides GCSE, GCE and other courses to our local schools and colleges; and
- acts as qualifications regulator on behalf of DE, accrediting a range of qualifications for use in Northern Ireland.

In 2017–18 CCEA reorganised into two Directorates, which the Chief Executive's office oversees. They are:

- the Education Directorate; and
- the Finance and Corporate Services Directorate.

Each area has discrete business units that are subdivided further into operational teams. During 2017–18 we employed 346 staff. We also contracted approximately 5,400 practising teachers as examiners, moderators and markers, as well as almost 2,200 invigilators to ensure that examinations are conducted in accordance with a mandatory code of practice.

For over 20 years, we have used a number of quality models to deliver better services for our customers. We are the only organisation in the Northern Ireland public sector to be continuously accredited to ISO 9001 for 18 years and we have won the Northern Ireland Quality Award, the UK Business Excellence Award and the European Quality Award.

We have direct and indirect service users. Our most obvious direct users are schools, further education colleges, and the teachers and lecturers who work within them. DE and the Department for the Economy are also direct customers. We are accountable to them for our performance. We provide services to both departments and, in return, receive resources that enable us to fulfil our remit.

We have many stakeholders from the educational community and beyond. These include other government departments, learners, parents, guardians, education providers and employers. We take into account their views through consultation and engagement as we conduct our work.



Key Issues and Risks

CCEA's key challenges and risks in the 2018–19 financial year include:

- sustained financial pressures;
- managing the widening divergence in education policy across jurisdictions; and
- building understanding of the changes to GCSE grading and ensuring that teachers continue to engage with the professional development required to support the curriculum.

Managing sustained financial pressures

CCEA, along with other public sector organisations, continues to face a challenging financial climate. Over the past 36 months, we have introduced a range of measures to mitigate these pressures. We have implemented three rounds of voluntary exit, enabling us to release 68 staff. This, alongside the streamlining of work processes through digital modernisation, has lessened the impact of these pressures.

Maintaining confidence in qualifications

Following a decision in England to embark on a series of qualifications reforms, a divergence in qualifications policy has emerged across the three jurisdictions that use the GCSE and GCE brands. From early last year, the reforms have been implemented into our schools and colleges.

These changes have presented CCEA with the challenge of ensuring that we maintain public confidence in qualifications. We will continue to work with stakeholders, such as universities, UCAS, employers and the education system, to ensure that this is maintained.

Continuing to build the understanding of the GCSE grading changes

Different approaches to GCSE grading are being implemented across Northern Ireland, England and Wales. Before this, there had been a common grading system across the three jurisdictions that use the GCSE.

England are phasing in their new numeric (9–1) grades, which started with English Language and Literature and Mathematics in summer 2017. Wales will continue to offer the existing A*–G grading system and will not be revising grades. CCEA will, at the wishes of the Minister of Education, align the A* to the grade 9, and introduce a new C* grade that aligns with the grade 5. We will make the first awards using the revised A*–G grading system in summer 2019.

Our detailed communications plan will ensure that key stakeholders understand what the grading systems mean and how they compare.

Ensuring opportunities for professional development

In the context of a challenging financial climate across the education and wider public sectors, we will continue to use the opportunities that digitisation brings, such as webinars, to provide support and professional learning opportunities for schools.



Financial Report 2017–18

Basis of Accounts

CCEA has prepared the financial statements in accordance with the Accounts Direction given by the Department of Education (DE), with the approval of the Department of Finance (DoF), formerly known as the Department of Finance and Personnel, and in accordance with Schedule 3, Article 73, Paragraph 13(c) of the Education (Northern Ireland) Order 1998.

Going Concern

The Statement of Financial Position at 31 March 2018 shows net liabilities of £10.9m. This includes liabilities due in future years. All liabilities will be met by our own earned income or by future grant-in-aid from DE, our sponsoring department. As far as we know, DE's sponsorship will continue. Consequently, we feel that it is appropriate to adopt a going concern basis for the preparation of the financial statements.

Summary Financial Results 2017–18

Income from activities increased from £9.7m in 2017 to £10.2m in 2018, which continued to fund approximately one third of CCEA's budget.

Total expenditure decreased by £3.1m from £34.3 in 2017 to £31.2m in 2018, primarily due to decreased staff costs.

CCEA's capital spend for the financial year was £0.25m to cover the costs of new ICT hardware and other minor capital items. CCEA's capital spend for the 2016–17 financial year was lower at £0.19m.

Parliamentary Accountability Disclosures

The total value of CCEA's losses and special payments did not total more than £300,000 for 2017–18.

Other Disclosures

Charitable Donations

CCEA made no charitable donations from its own funds during 2017–18.

Independent Auditor

The Principal Auditor is the Northern Ireland Audit Office (NIAO), 106 University Street, Belfast, BT7 1EU.

The cost of work performed during 2017–18 was as follows:

| | |
|----------------------------|----------------------|
| | £ |
| Audit Services | 13,000 |
| Further Assurance Services | - |
| Tax Services | - |
| Other Services | - |
| Total | <u>13,000</u> |

The fee for audit services relates to the statutory audit of the financial statements.

Payment to Creditors

In line with DoF guidance, we aim to pay valid bills within 10 days of receipt. During the reporting year, 95% of invoices were paid within 10 days of receipt. Full disclosure for 2017–18 of our performance both in terms of paying invoices within 30 days and 10 days can be found at <http://bit.ly/1Zg21Ff>

Pension Accounting Policy

Pension liabilities are treated in the financial statements in accordance with Accounting Policies Note 1.11 in the Notes to the Financial Statements. Details of the emoluments and pension entitlements of senior management appear in the Remuneration Report section of this report.

Register of Interests

Council members, members of the key management staff, or other related parties have not engaged in any material transactions with us during the year other than those disclosed in the Emoluments and Pension Entitlements of Senior Management table in the Remuneration Report section of this report and Note 20: Related Parties in the Notes to the Financial Statements section of this report.

A register of members' interests is available and can be inspected on application to the Chief Executive's office.

Personal Data Related Incidents

During the 2017–18 financial year, there were no personal data breaches.

Accounting Officer 2017–18

Justin Edwards, Chief Executive, held Accounting Officer responsibilities for CCEA during the 2017–18 financial year.

As Accounting Officer, I took steps to keep informed of all relevant audit information and to ensure that our auditors were aware of that information. As far as I am aware, the auditors have been informed of all relevant audit information.



Key Themes

Review of Performance in 2017–18

Over the last twelve months, CCEA has continued to deliver high quality support services despite significant budgetary pressures. We launched our large scale GCSE Grading Changes Communication Strategy, introduced new continuing professional development (CPD) programmes of work for teachers and continued to be the qualifications provider of choice in Northern Ireland.

Our mission is to:

enable the full potential of all learners to be achieved and recognised.

The following is a summary of our key achievements and significant pieces of work in 2017–18 that reflect our continued commitment to achieving our mission.

Qualifications increase in popularity

CCEA continues to grow its market share of GCSE and GCE qualifications in Northern Ireland, despite the competitive examinations market. In 2017–18, we saw an encouraging increase in the number of teachers choosing CCEA as their awarding organisation of choice. We increased our share of the market from 79% to 87.6% of GCSE entries, and from 75.9% to 80.5% of GCE entries.

We have also added two new qualifications to our GCSE portfolio: GCSE Government and Politics and GCSE Statistics. Both were developed to further equip our learners with the skills they need and to support the future workforce.

Continuing to support teachers in the delivery of our revised qualifications

The first of our revised GCE qualifications will be awarded in summer 2018. Learners will also sit examinations for the first units of the revised GCSE qualifications in summer 2018.

As part of our revision of specifications programme, we committed to supporting teachers in the first teaching year of each specification and during the lifetime of the specification. Our free support programme ensures that teachers have the support they need to deliver the specifications in the classroom.

The support programme for 2017–18 included:

- GCE support materials and events for qualifications that were revised in 2016–17;
- developing and providing:
 - GCSE ReVision support materials and events for all revised GCSE qualifications; and
 - support materials and events for new GCSE and GCE subjects; and
- developing and delivering the support programme for all other (non-revised) support needs, for example Entry Level qualifications, Irish Medium and legacy specifications.

During 2017–18, we provided support through:

- supplying:
 - planning frameworks for all GCSE subjects;
 - 504 student and teacher fact files;
 - 144 additional GCE support items, including e-guides, fact files and bespoke materials;
- developing Irish Medium versions of GCE fact files and GCE bespoke materials through engagement with Irish Medium centres, to ensure the translation of those support items met the centres' curriculum needs;
- delivering 200 GCSE and GCE free support events, attended by just over 5,300 teachers; and
- introducing exemplification of standards webinars for each AS qualification.

Providing the best possible service and leading innovation

During the 2017–18 exam series, we facilitated 2,300 examination meetings with 5,435 contract for services personnel (examiners and moderators), marked 510,770 examination papers and issued 214,000 grades to Northern Ireland learners.

This year, we continued to modernise our services and examinations administration. Our GCSE examination management software suite was redesigned to accommodate the new CCEA GCSE grading system.

We also developed and piloted a new software application in 41 centres. It manages and administers Special Consideration applications more efficiently between schools and CCEA.

January 2018 saw the release of our new version of CCEA Analytics, which combined the functionalities of the two previous analysing tools: Centre Results Online and Item Level Data. The new application has been released as an open beta version, allowing feedback from a wider audience to be considered when finalising the application.



Equipping all learners

Part of CCEA's vision is that our education provision reflects the needs of individual learners, the community and the Northern Ireland economy. To support this, CCEA Regulation has been working to address issues raised by stakeholders, particularly employers, about the ability of young people to be functionally literate and numerate. In August 2017, CCEA Regulation began the development of how we assess the functional competence, and a review on how achievement in functionality relates to overall GCSE performance.

Throughout the process, we will also engage with the users of GCSE Mathematics and English Language, in particular employers, further and higher education and training organisations. This is a significant development for CCEA and we are keen to ensure that it has real and lasting benefits for all our young people.

Understanding letters and numbers – communicating the GCSE grading changes

In August 2017, we launched our comprehensive programme of communication and engagement to ensure key audiences know about the GCSE grading changes introduced in Northern Ireland. This campaign focused on the introduction of numerical grading here, alongside the introduction of a C* grade to align with the grade 5.

At the start of this programme of work, we consulted key stakeholders (students, parents, teachers and employers) to find out their current understanding of the changes. As a result of this consultation, we adapted our key messages for each audience and implemented targeted communications. We will develop and continue this work into 2018–19 as we approach the first award of CCEA's new GCSE grades.

Supporting the delivery of the Northern Ireland Curriculum

As part of our statutory duty, we developed and delivered tailored professional development for teachers in key skill areas. This included:

- developing teachers' coding and digital skills at Primary and Key Stage 3 in collaboration with industry partner Kainos;
- integrating best practice into the teaching of Communication to move pupils on in their learning;
- providing Foundation Stage Co-ordinator Capacity Building sessions;
- running Teacher Insight Visits in collaboration with Catalyst Inc, Magellan Aerospace and the College of Agriculture, Food and Rural Enterprise (CAFRE); and
- delivering large scale conferences to support the Department of Education's Learning Leaders Strategy, including:
 - a special educational needs (SEN) conference in August 2017;
 - a Problem Solving in Mathematics conference in February 2018; and
 - Share, Impact, Embed, a Primary conference, in March 2018.

Enriching our range of curriculum resources

In 2017–18, we continued to enrich our wide ranging curriculum resources and materials to support the delivery of the Northern Ireland Curriculum and its associated assessment arrangements. Highlights of the year included:

- Communication: Success Criteria Cards, Guidance on Using the C2k Newsdesk, Character Study iBook and Key Stage 3 Creative Writing resource;
- Using Mathematics: development of units of work to support the teaching and learning of Using Mathematics and Problem Solving skills, guidance for teachers on Financial Capability and Primary Shape and Space resource;
- Using ICT: development of a Digital Skills Curriculum as well as teaching units and support for specific topics such as Microsoft Touch, Garage Band and C#;
- STEM/The World Around Us: Primary Science Progression Guidance, Science Through Stories, Growing for the Future and Minecraft;
- Primary Irish, Ulster-Scots and Cultural Heritage: The Mixture that Makes Ulster and The Story of Linen;
- Irish Medium: Key Stage 3 language framework including textbooks and interactive activities, print and online development of interactive activities for Irish Medium resources in partnership with An Chomhairle um Oideachas Gaeltachta agus Gaelscolaíochta (COGG) in Dublin and St Mary's University College in Belfast; and
- SEN: Window on Special case studies and resources to support Literacy, Numeracy and Science.

We also produced materials and resources to support priority areas identified by the Department of Education (DE), such as Understanding 1917 and Beyond, Teaching Controversial Issues, Every Sport for Everyone and Homelessness.

Collaborative working between education and industry

Throughout 2017–18, CCEA collaborated with a range of education providers and industry to support teaching and learning throughout the Northern Ireland Curriculum, including:

- active involvement in DE's Learning Leaders Strategy for teacher professional learning;



Screenshots from the STEM in Minecraft resource and the Minecraft app
<http://www.nicurriculum.org.uk/STEMWorks/minecraft/>

- supporting the Education Authority (in relation to Shared Education) with delivering a series of Shared Education modules for the Shared Education Signature Project, focusing on Thinking Skills and Learning for Life and Work, the Network of Shared School Improvement (NSSI) plan and the Joint Practice Development (JPD) Leaders Programme;
- partnerships to produce curricular resources such as Growing for the Future (Tourism NI) and Woven in Ulster: Ulster-Scots and the Story of Linen (Ulster-Scots Agency); and
- continued effective partnership working in the Irish Medium sector, including on a North–South basis.

Harnessing technology to support learning

At CCEA, we are continuously looking at ways to integrate the latest technology into our learning resources and how we communicate with our stakeholders.

In the last year, we have worked on extending our range of assessment tools, including trialling a Key Stage 3 Mathematics Computerised Adaptive Test (CAT) in 12 schools, providing a revised online interactive Task Support System and developing tracking software for Quest and Q Skills to support pupils with SEN.

Technology has also played a part in our support materials. We further developed our e-books, facilitated webinars and produced the STEM in Minecraft resource, which included bespoke Minecraft ‘worlds’ and associated materials.

We also joined forces with the Northern Ireland Commissioner for Children and Young People (NICCY) to launch a new children’s rights resource hub for teachers and pupils, which promotes awareness of the United Nations Convention on the Rights of the Child (UNCRC).

Delivering our commitment to excellence

CCEA is a quality-focused organisation, committed to achieving and maintaining a range of quality standards in our work. A key aspect of this commitment is in our adherence to and assessment against a range of internationally recognised quality standards. During 2017–18, we were certified again to ISO 9001, ISO 14001, OHSAS 18001, ISO 20000 and ISO 27001.

We monitor our activities through the operational and DE business plans. We achieved 162 of 236 (68.6%) of our operational targets, with one substantially achieved (0.4%), 10 (4%) not achieved and 63 (27%) likely to be achieved but with some delay.

We consider complaints to be a learning opportunity for improving our products and services. We manage all complaints in line with the customer charter timelines. This year, 97% of complaints received an initial reply within five working days, and 96% received a full response within 20 working days.

This year, we also implemented a General Data Protection Regulation (GDPR) project steering group to manage the transition from the Data Protection Act 1998 to the GDPR.

Celebrating success

We continue to be committed to recognising the educational achievements of all of our learners and celebrating their successes.

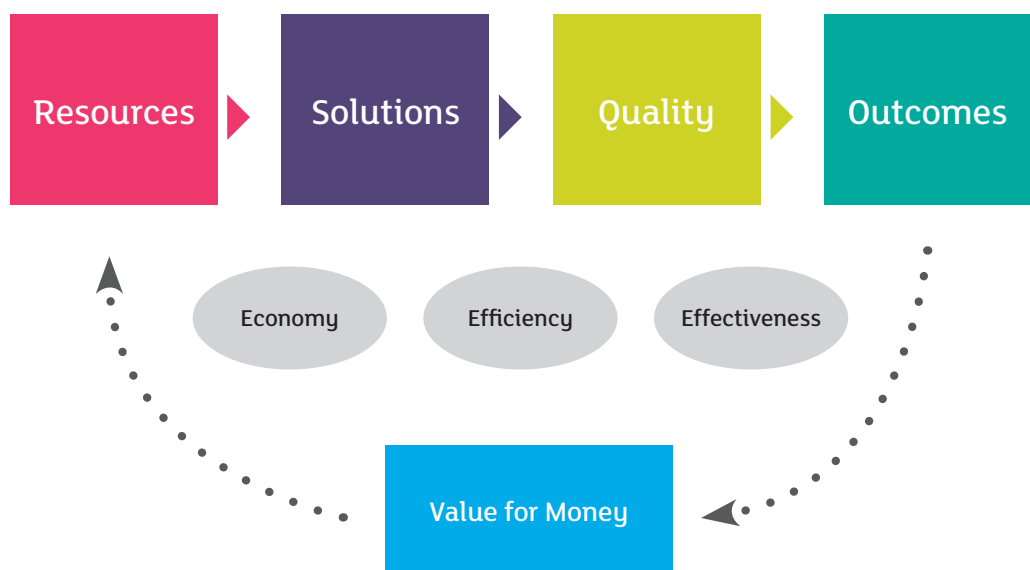
Through our annual award ceremonies, we shine a light on the outstanding achievements of learners, young and old, across a range of examinations types. In April 2017, we celebrated the success of learners across our GCSE and skills-based qualifications at an awards ceremony in Titanic Belfast. Before the Christmas 2017 holiday, we recognised the achievements of our GCE top candidates at the Celebrating Excellence awards ceremony, hosted at Parliament Buildings.

Our True Colours art exhibition, which showcases some of the best and most outstanding artwork produced for the summer 2017 GCSE and GCE examination series, had another successful run at the Ulster Museum. This year, we extended the exhibition from five to six weeks, to facilitate the ever-growing numbers of schools that visit the exhibition. Over 6,500 students and teachers from 100 schools visited the exhibition, which also acts as a learning tool for students to see first-hand the preparation work and finished pieces. Just over 57,000 members of the public also viewed the exhibition.

Looking Forward

Continuing to deliver excellent services in a challenging environment

The year ahead will continue to remain challenging for us, as we face a further £400,000 budget deficit. Over the last three years, we have achieved efficiencies through our voluntary exit scheme, in which 68 members of staff have left the organisation. In 2018–19, further mitigations and reorganisation will be required to ensure that we continue to deliver a high quality and secure service for all CCEA users.



Continuing to modernise our services

Despite a challenging environment, we are committed to the continuous modernisation of our services and products to ensure CCEA's high standards are maintained and to benefit our key stakeholders. We have planned the activities below to support this commitment.

- In summer 2018, we will further grow our capacity for online marking, from 72% to 80% of all scripts being marked this way.
- We will roll out, to all schools, the new CCEA Special Consideration software application in 2018–19 and support schools in the management and administration for this process.
- We will also complete the implementation of the new online results application, E-Statements, which will provide schools on results day with direct access to their CCEA candidate results and school consolidated reports. This application will streamline CCEA's results process, as well as reducing our carbon footprint, benefitting both centres and the environment.
- Throughout the year, we will also explore and develop a range of electronic options to further support centres and candidates, for example making Access to Scripts requests available electronically.



Enabling all learners to achieve their full potential

For several years we have been working to address issues expressed by key stakeholders, particularly employers, about the ability of young people to be functionally literate and numerate. In our revised GCSE English Language and Mathematics specifications (for first award in summer 2019) 'Functional English' and 'Functional Mathematics' are identified to enable separate assessment of functionality. We believe this development has the potential to provide additional information on achievement, not only for the learners and their schools, but also for further education colleges and employers.

Embracing further digital innovation for support materials and communication

As part of our commitment to modernisation, we will continue to develop support resources and materials that use digital approaches, while retaining accessibility for all.

In 2018–19, we will be increasing our use of webinars and app development and explore the opportunities for virtual reality with Google Cardboard VR.

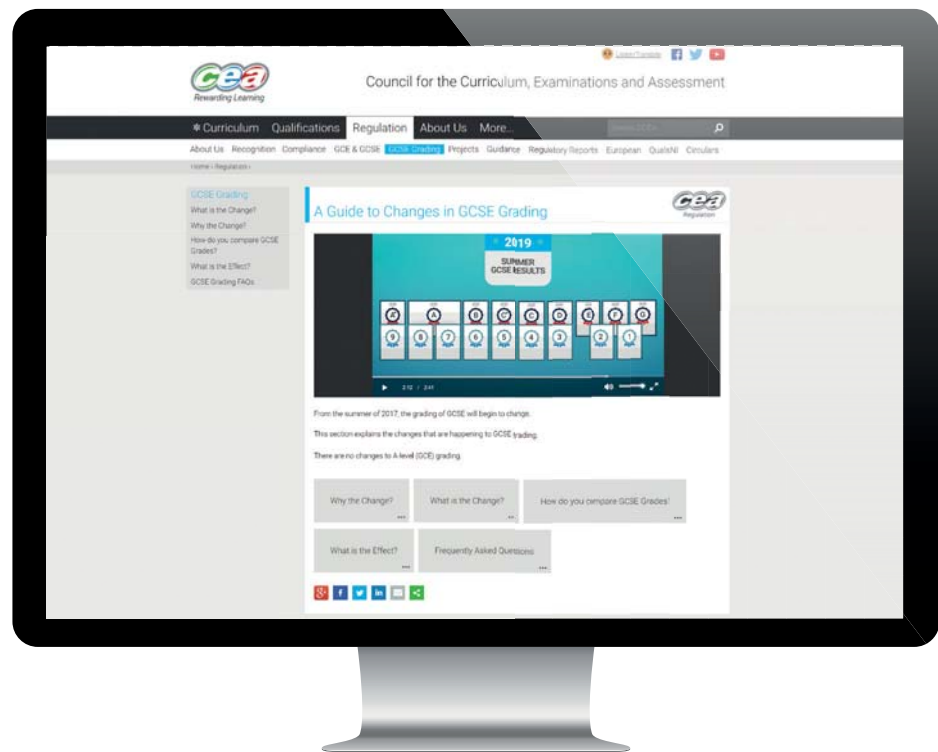
Our current website, which we launched in August 2015, will be undergoing a review and refresh as we respond to ever-changing web technology and user requirements. Last year, there were 7.8 million visits to the site, with an increasing number of users accessing the site through mobile technology.

Supporting apprenticeship and traineeship programmes

Reforms to training in Northern Ireland are underway to ensure that employees of the future continue to meet the needs of an increasingly competitive global economy. As part of our Regulatory responsibilities, we will continue to support the Department for the Economy (DfE) in the design and content of revised apprenticeship and traineeship programmes. In addition, CCEA Regulation will continue to work with a range of awarding organisations to develop technical and professional qualifications that meet the requirements of the new training framework.

GCSE grading

In summer 2019, we will award GCSEs using the reformed grading scale, which will see the A* grade align with the new grade 9 in England, and the introduction of a C* grade to align with the grade 5. Throughout next year we will continue our communications work, which we started in August 2017, to ensure that all key stakeholders understand what the new grading system means and how the systems compare.



Animation explaining the grading changes available at http://ccea.org.uk/regulation/gcse_grading

Strategic Framework and Strategy Map

Our Mission To enable the full potential of all learners to be achieved and recognised

| Outcomes | Overarching Objectives | |
|---|---|---|
| <p>Meeting the needs of our Sponsoring Department, Stakeholders and Customers</p> | <p>Q1 Raising Standards for All</p> | <p>Q2 Closing the Performance Gap, Increasing Access and Equality</p> |
| <p>Quality Improving Quality and Standards in Everything We Do</p> | <p>Q1 Defining Standards and Providing Assurance</p> | <p>Q2 Comparing With and Learning From Others</p> |
| <p>Solutions Leading Solutions for Education</p> | <p>S1 Sharing Thinking and Practice in Curriculum, Examinations and Assessment</p> | <p>S2 Informing Our Solutions from Local, National and International Best Practice</p> |
| <p>Resources Managing Resource in an Effective, Efficient and Economical Way</p> | <p>R1 Using Technology to Enable Solutions</p> | <p>R2 Recruiting and Developing Talented People</p> |



| Supporting Objectives | | | |
|--|---|---|---|
| <u>O3</u> Developing the Education Workforce | <u>O4</u> Improving the Learning Environment | <u>O5</u> Transforming the Governance and Management | |
| <u>Q3</u> Building Advocacy in Stakeholders and Customers | <u>Q4</u> Improving Value and Accuracy | <u>Q5</u> Continuously Evaluating Our Performance | |
| <u>S3</u> Delivering Highly Efficient Operations and Processes | <u>S4</u> Connecting All That We Do | <u>S5</u> Aiming to be the Provider of Choice for Educational Solutions | <u>S6</u> Listening and responding to Sponsoring Department, Stakeholders and Customers |
| <u>R3</u> Complying with Legislation and All Government and Departmental Policy and Procedures | <u>R4</u> Understanding and Proactively Managing Risk | <u>R5</u> Using Finance in an Efficient, Effective and Economic Way to Deliver Outcomes | |

Intelligence and Information as Enabler

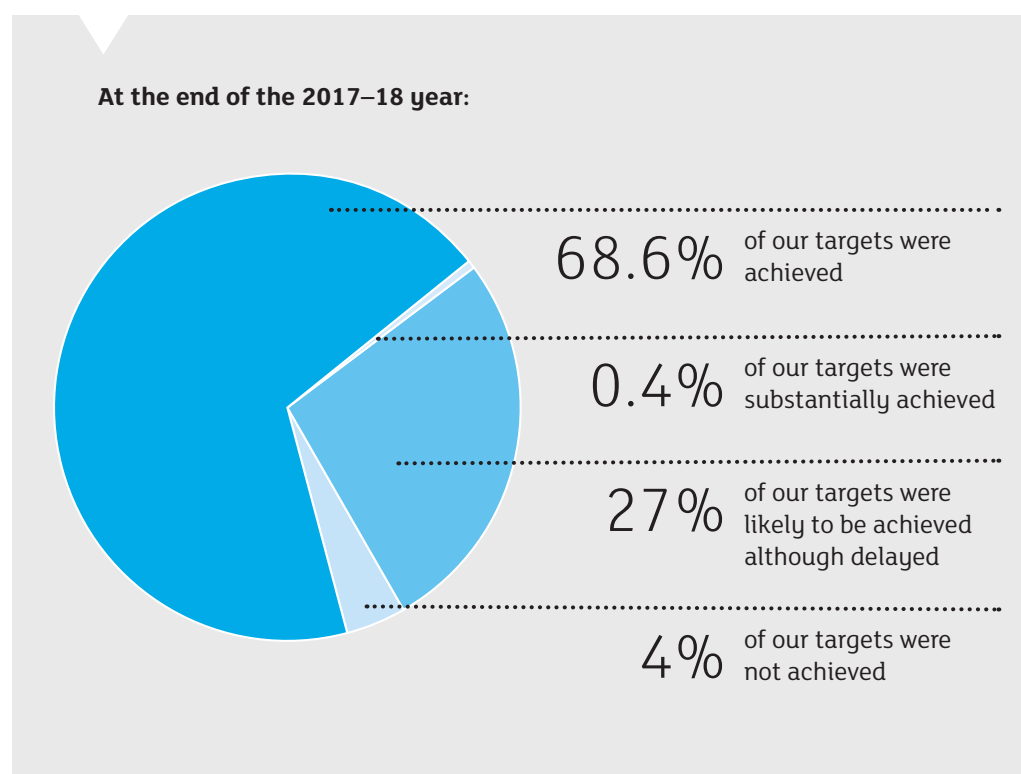
REVIEW OF PERFORMANCE IN 2017–18

Key Strategic Objectives

Our draft 2015–18 corporate plan aims to underpin the work of the Department of Education (DE) and the Northern Ireland Executive. It has four strategic themes:

- Outcomes – Meeting the needs of our sponsoring department, stakeholders and customers;
- Quality – Improving quality and standards in everything we do;
- Solutions – Leading solutions for education; and
- Resources – Managing resource in an effective, efficient and economical way.

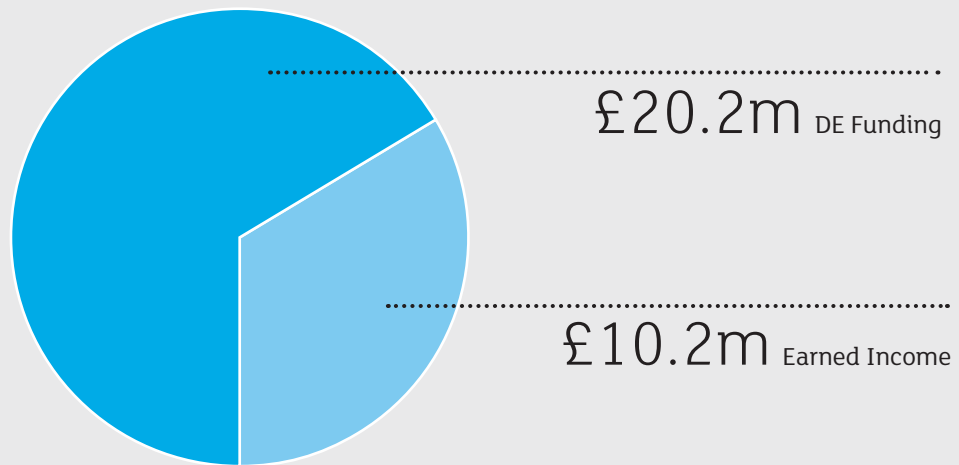
These four themes are the basis for the 21 objectives through which we aimed to achieve the 236 specific operational targets.



CCEA PERFORMANCE IN NUMBERS

Funding

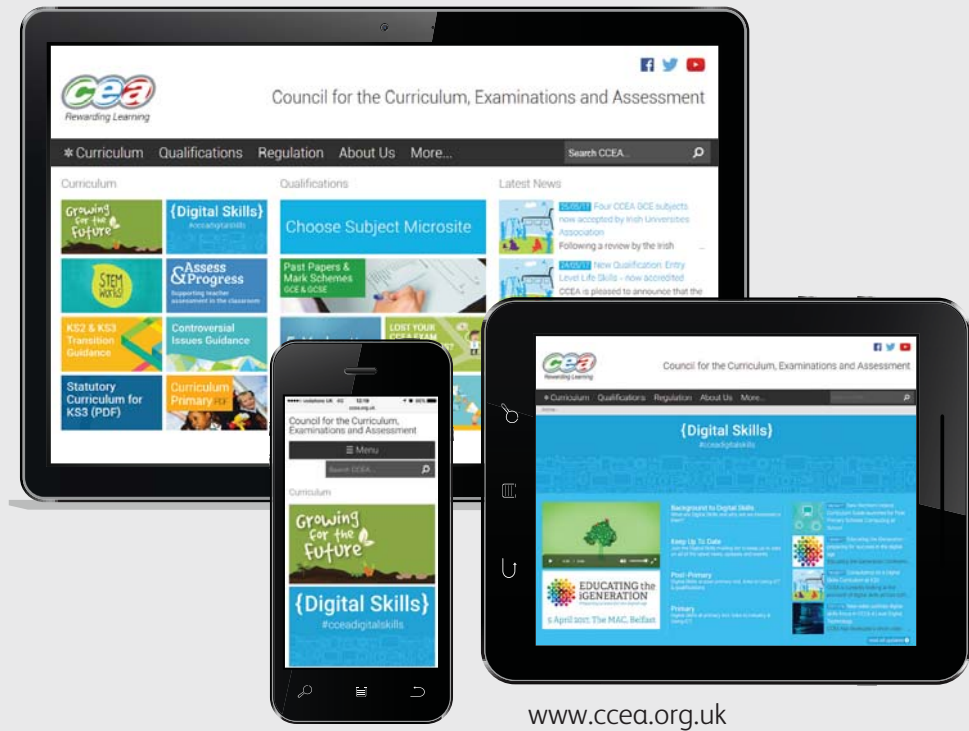
Qualifications generated income continues to fund almost one third of CCEA budget



CCEA has contained recurrent and capital expenditure within the resources made available in the 2017–18 financial year by DE.

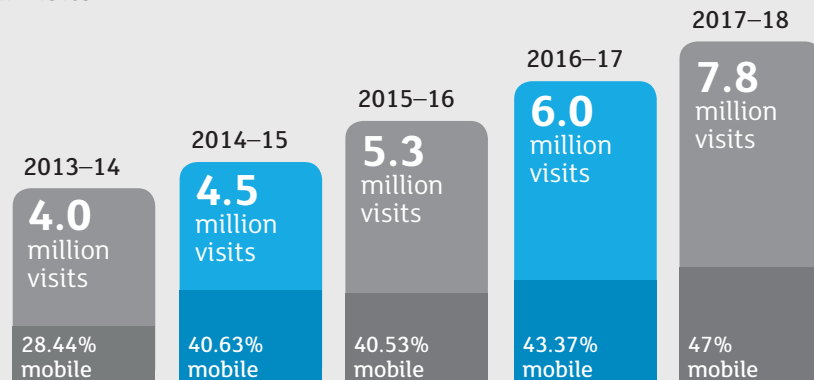
| DE Funding Allocation | 2018 £ (000s) | 2017 £ (000s) | 2016 £ (000s) |
|------------------------------------|------------------|------------------|------------------|
| General Recurrent | 19,479 | 22,739 | 23,110 |
| Voluntary Exit Scheme | 452 | 2,100 | 1,182 |
| Capital | 249 | 186 | 468 |
| Total DE Funding Allocation | 20,180 | 25,025 | 24,760 |

Digital Engagement with Customers



CCEA Web Statistics

Total Visits



While social media interaction develops rapidly, organisational reputation can still be won and lost across mainstream media such as newspapers, radio and television. We continue to track performance in this area.

Revised and new qualifications



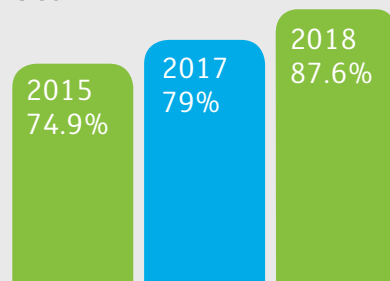
GCSE Government and Politics
GCSE Statistics

Examinations

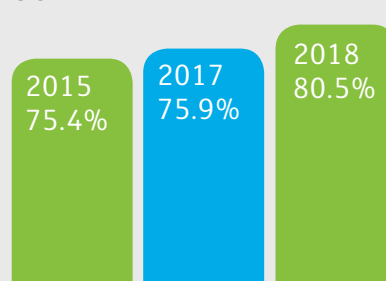
More and more teachers are choosing CCEA as their preferred awarding organisation.

Northern Ireland Market Share

GCSE



GCE



Resourcing the Organisation



CCEA staff headcount decreased by 14.8% from

406 to **346**

Providing Support to Teachers

During 2017–18, in support of its suite of qualifications, CCEA ran 200 events, attended by just over 5,300 teachers.

We have developed a huge range of free curricular, examination and assessment support:

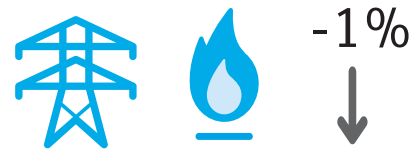


Environmentally Aware

During the last year, we:



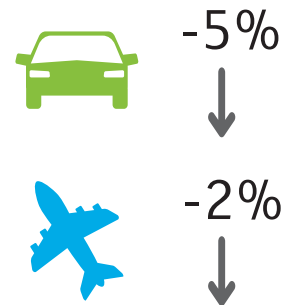
were recertified to ISO 14001, the international environmental management standard, following two external assessments in 2017–18



met our electricity, gas and reduction targets



had 2,833 visits to our ecoworld website, which promotes environmental awareness



decreased our car mileage and our air travel

Sustainability and Corporate Social Responsibility Report

Sustainability

In keeping with the Office of the First Minister and deputy First Minister's strategy for sustainable development, CCEA continues to engage in approaches designed to deliver its business in a socially responsible manner while promoting a sustainable future through its core work with schools and colleges.

We proactively consider sustainability, which incorporates the three key criteria outlined below, when planning our core business activities. This ensures that corporate social responsibility (CSR) is demonstrated across all our stakeholder groups. CSR is evident through the frameworks we have in place to ensure compliance with all applicable legislation and to promote improvements in products and services for stakeholders. External validation of these mechanisms is provided by our certification to ISO 9001, OHSAS 18001, ISO 14001, Investors in People, ISO 27001 and ISO 20000 standards.

- **The Environment**

We have continued to use the international environmental management standard, ISO 14001, to enhance our business activities in respect of positive impact on the environment and to address any negative environmental aspects. We have been recertified to this standard through an external assessment during 2017–18.

- **Society**

A core aspect of our business is to support the implementation of the Northern Ireland (NI) Curriculum for both learners and schools. The NI Curriculum embraces the philosophies associated with sustainability and resources. The training and support we provide for customers and stakeholders in relation to inclusivity, environmental responsibility, financial sustainability and diversity demonstrates our commitment to sustainable development and to strengthening our positive contribution to social, economic and environmental improvement.

We develop innovative resources for each core aspect of the NI Curriculum. These resources, which are available at www.ccea.org.uk/curriculum, are accessed by and impact on a significant number of teachers and learners. Subjects covered are detailed below, along with a cross-reference to their specific applicability to CSR:

- *The World Around Us*: global sustainability;
- *Personal Development and Mutual Understanding*: inclusivity, diversity and personal responsibility;
- *Literacy, Numeracy and Digital Skills*: building skills capacity for the future;
- *Physical Education*: health and welfare;
- *Thinking Skills and Personal Capabilities*: building skills capacity for the future and personal responsibility;
- *Environment and Society*: social inclusion and environmental responsibility;
- *Learning for Life and Work*: preparing responsible citizens; and
- *Special Educational Needs (SEN) and Inclusion*: inclusivity.

- **The Economy**

The NI Curriculum, which we sustain, develops a range of skills that have been identified as being key to economic growth and a sustainable society. These are focused on literacy, numeracy and digital skills.

During 2016–18, we undertook a revision of 38 GCSE qualifications designed to address the changing needs of education, employers, society and the economy. We consulted with more than 1,700 stakeholders to identify the mainstay requirements for a suite of qualifications to improve society and the economy. This included engagement with employers, further and higher education, schools and the public.

Environmental Improvement Programme

As described above, we employ the ISO 14001 environmental management standard to help us to build on the foundations of positive influence on the environment (for example through the NI Curriculum) and to reduce any negative impacts, for example paper usage.

We maintain an environmental improvement programme. This considers the positive and negative aspects of our business in relation to environmental impact. The most significant of these, and those which are high on the improvement programme agenda, are paper and energy usage as well as staff travel. We set and monitor targets and, if improvements are not made, we will consider remedial action to address gaps in the future.

Our environmental management system aims to ensure that we comply with all environmental legislation. We achieve this by keeping up to date with legislative developments and considering if they apply to our business. Our ISO 14001 assessor commended our legislative compliance framework on all assessment visits.

We focus on promoting sustainability with internal and external stakeholders to maximise our positive impact on the environment. Examples of this during 2017–18 include:

- raising staff awareness about respecting the environment by reducing paper consumption;
- transitioning to Office 365 to support electronic communications; and
- continuing to:
 - offer our cycle to work scheme; and
 - use our company electric van.

Examples of customer facing strategies to reduce impact on the environment are the Digital Skills Strategy (now Digital Skills Curriculum) and new software for Q Skills, which are available on our website. Throughout 2017–18, we have engaged with individual teachers and schools to provide training throughout Northern Ireland. This training will improve teachers' digital skills and help them to implement the digital skills curriculum in the classroom.

Sustainability in Our Operations

We employ a range of documented policies and procedures to support our commitment to the environment through the ISO 14001 system. An environmental policy has been in place since we committed to the principles of ISO 14001. This policy includes a range of objectives that build on our environmental improvement programme. Travel, energy usage and waste management policies also support the environmental policy.

In compliance with the Display Energy Certificates legislation, our energy efficiency was assessed in 2017–18 by an external qualified assessor. We received a rating of 38 and retained our B grade for energy efficiency, which is the second-highest grade achievable.



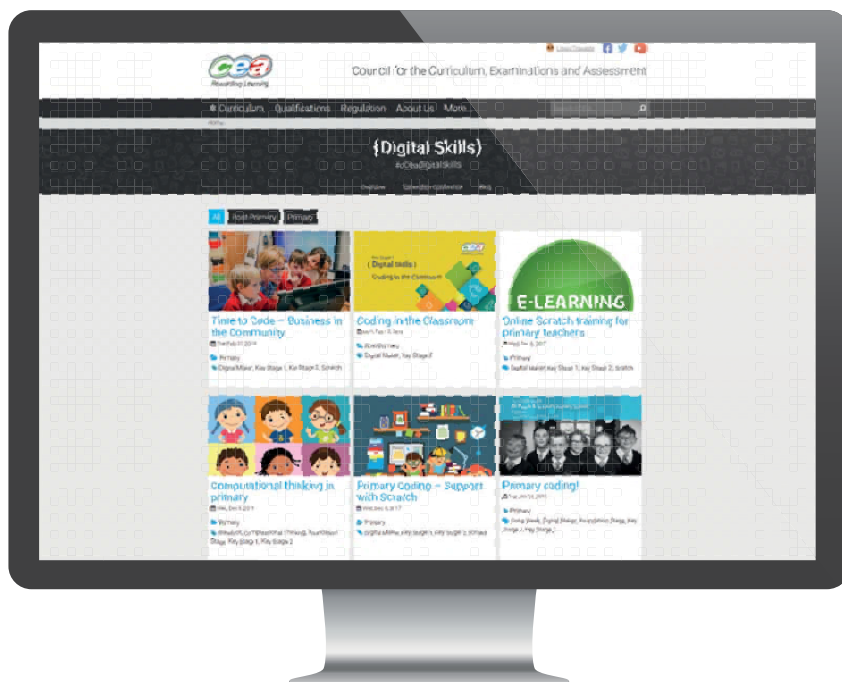
In respect of paper usage, which is the main impact on the environment, we have continued to increase online services while using paper sourced from sustainable forests or recycled paper.

Recycling continues to be a main focus of our environmental improvement programme. We provide facilities to recycle a wide range of items: paper, card, aluminium cans, plastics, and toner and printer cartridges.

During the reporting year, we recycled 10,501.8 kg of dry mixed recycling items (paper, card, aluminium cans and plastics).

Over the past two years, as part of our commitment to reducing our environmental impact, we have replaced office printers with floor copiers and encouraged staff to use the Print team's facilities, which offer more environmentally friendly solutions such as scanning. This has reduced paper consumption and also toner and printer cartridge use.

Every quarter, we provide key staff with an internally published environmental report. An annual report also shows print usage across the organisation. We inform staff about our policy to reduce print and encourage staff to adhere to the printing procedures and environmental policy.



Digital Skills portal, available at www.ccea.org.uk/digitalskills

The table below outlines key highlights in our sustainability performance for 2017–18.

| Area of focus | Target | Status |
|---|--|---|
| PAPER REDUCTION | | |
| E-Moderation paper reduction (General Qualifications) | 2016 = 100% reduction | Target met |
| | 2017 = 100% reduction | Target met |
| | 2018 = 100% reduction | On target |
| Online marking | 2015 = 50% of scripts marked online | Target met |
| | 2016 = 75% of scripts marked online | Target met |
| | 2017 = 78% of scripts marked online | Target met |
| | 2018 = 80% of scripts marked online | On target |
| WASTE REDUCTION | | |
| General landfill waste | 2017–18 target: 1% reduction from previous year Landfill waste: 2016–17: 1,084,600 litres 2017–18: 1,016,400 litres | Met We are continuing to promote recycling, but this reduction in landfill waste is due to the fact that staffing levels have decreased by 60 from 406 in 2016–17 to 346 in 2017–18. |

| Area of focus | Target | Status |
|---|---|---|
| ENERGY/NATURAL RESOURCES USAGE | | |
| Electricity usage | 2017–18 target: 1% reduction from previous year 2016–17: 808,825 kWh 2017–18: 739,821 kWh | Met |
| Gas usage | 2017–18 target: 1% reduction from previous year 2016–17: 14,601 m ³ 2017–18: 28,059 m ³ | Not met Root cause under investigation |
| Oil usage | 2017–18 target: 1% reduction from previous year 2016–17: 49,514 litres 2017–18: 65,444 litres | Not met |
| Water usage | 2017–18 target: 1% reduction from previous year 2016–17: 2,547 m ³ 2017–18: 2,368 m ³ | Met |
| Staff travel usage | 2017–18 target: 1% reduction from previous year Air 2016–17: 276 flights Air 2017–18: 270 flights Car 2016–17: 112,000 miles Car 2017–18: 106,000 miles | Met Air travel reduced by 2% Car mileage reduced by 5% |
| POSITIVE IMPACT | | |
| Environmental awareness | We further enhance our environmental support through the educational resources below. ecoworld, available at www.ecoworld.org.uk Bryson Education, available at www.brysoneducation.org | Work continues 2,833 ecoworld website visits 46,818 Bryson Education website visits |
| Development of Digital Skills portal, available at www.ccea.org.uk/digitalskills | Developing skills that will be useful to a person if they wish to take part in various digital aspects of society, safely and without hindrance | We provided training to individual teachers and schools in NI to improve the digital skills that teachers use in the classroom. We collaborated with Kainos to deliver training on coding in the classroom. Over 200 teachers attended workshops on: <ul style="list-style-type: none"> • interactive design; • creating and editing images; • recording music; • web design; • coding in the classroom with Scratch/Snap!; and • coding in the classroom with Python. We are currently developing the content of these workshops and other areas into online formats that will be available for teachers to use from September 2018. |

| Area of focus | Target | Status |
|--|--|---|
| POSITIVE IMPACT | | |
| <p>Provision of online curricular resources to support relevant current issues</p> | <p>Support for pupils with SEN, including development of tracking software for Quest and Q Skills</p> <p>Growing for the Future, available at www.ccea.org.uk/growing</p> | <p>The first stage of the Q Skills tracking software was finished at the end of August 2017 and it has been piloted in 13 SEN schools. Since December 2017, we have been engaging with these schools to get feedback on:</p> <ul style="list-style-type: none"> • how the software works within the school setting; • what improvements we could make; and • what reporting features they would like to see added to the software. <p>We will make the software available to all SEN schools in the 2018 summer term, and mainstream primary schools will be included from September 2018. We are currently working with C2k and Capita to link the software with SIMS assessment manager. This link will be live for the start of the academic year 2018–19.</p> <p>This project, in collaboration with Tourism NI, encourages children to grow fruit and vegetables and explore where food comes from. It also promotes healthy eating. Each primary school in Northern Ireland (including SEN schools) received compost, potatoes and two packs of seeds to sow. Teachers, parents and children can visit www.ccea.org.uk/growing to investigate what they can grow throughout the year. The online resource also includes monthly activities that support the curriculum.</p> |
| <p>Further development of CCEA Analytics to capture item level data for use by schools</p> | <p>Increased data capture</p> | <p>Increased services online delivered through our modernisation agenda, including 100% E-Moderation, increased online marking (420,000 scripts) and 194 components of item level data available to schools through our Analytics system, which contributes to improved teaching and learning in schools. Item level data is available for all CCEA papers marked online, apart from papers that have question options.</p> |



The garden at Ballycraigy Primary School as part of the Growing for the Future project

We continue to use our environmental improvement programme alongside our financial savings initiatives to demonstrate care and responsibility for the public money we receive.

Carbon Reduction Commitment Scheme

We do not meet the criteria to participate in the scheme.

Corporate Social Responsibility

CSR summarises our aim to ensure that we conduct business in an ethical way, while also ensuring our contribution to society goes beyond our core responsibilities as a public sector organisation. As part of our CSR approach, we consider our social, economic and environmental impacts as well as human rights issues.

Community, Societal and Charitable Activities

We undertook a range of events over the year that are in line with our CSR policy. The focus has been on giving back to our local community and to local charities.

Each Christmas, we organise The Giving Tree, which encourages staff to buy a present for a child who might not otherwise receive one. The presents are then sent to families in need through a joint initiative between the Salvation Army and St Vincent de Paul.

Staff were also involved in the Belfast City Marathon, the Giro d'Italia and Strictly Come Dancing for our nominated charity of the year, TinyLife. Overall, we raised £4,289.36 for TinyLife.

We engaged with our local community through supporting interview skills workshops in schools, continuing to facilitate educational benchmarking opportunities from across the globe, providing student work placements and internships, and representation on voluntary sector boards.

Our annual True Colours Exhibition was held again during 2017–18. This event allows GCSE and GCE artworks to be exhibited for members of the public, as well as being visited by schools and colleges. We also held our annual Celebrate with CCEA ceremony, which was an opportunity to recognise success in learning for a wide range of learners.

Well-Being

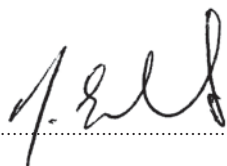
A founding principle of the OHSAS 18001 standard is employee well-being and welfare. During 2017–18, we facilitated flu vaccinations for staff. Our in-house well-being programme encourages well-being awareness. This supports our desire to demonstrate CSR while also enhancing understanding of issues such as mental health and reducing staff absence. These opportunities are complemented by providing access to the Inspire (formerly CareCall) counselling service for staff.

Investment in Staff

Learning and Development

We continue to make strong commitments to developing staff in the knowledge and skills required for current and future career development opportunities. The corporate agenda drives all of our training initiatives. In 2017–18, we provided a range of training and development opportunities to all grades within the organisation. We successfully delivered the AGILE programme, which incorporated five main themes: Leadership, Compliance, HR Fundamentals, Digital Systems Applications and Change Management. We designed the workshops below to be challenging and bespoke to our business need:

- Leadership included training on Performance Management and Positivity and Resilience;
- Compliance included training on Business Cases and Procurement;
- HR Fundamentals included training on Absence Management and Conducting Investigations;
- Digital Systems Applications included training on using Yammer and SharePoint; and
- Change Management included training on Self-Management and Strategic Planning.

Signed:  Date: 20.6.18

Justin Edwards
Chief Executive

02

Accountability Report

“

We aim to make the best possible use of our resources, especially our staff. We recruit and promote candidates based on merit. We comply with all relevant legislation and guidance on fair employment and equal opportunities, and we aim to meet the legislative and other requirements in respect of employees with disabilities.

”

Chairperson's Reflection



This has been the second year of my second term as Chairperson for CCEA and despite facing a challenging environment, the organisation continued to deliver high quality front line services.

Over the last year, a number of council members have moved into their second year in post providing continuity in governance and additional experience. I am delighted that we will have further opportunities for three new members to join the CCEA Council in the near future. This rolling recruitment process presents its own challenges to ensure all skills and experiences are used to good effect.

I am also pleased to report that we completed the restructure of the CCEA Executive team with two exceptional directors appointed. In September 2017, Leah Scott joined the organisation from Lisburn and Castlereagh City Council as Director of Finance and Corporate Services. At the start of 2018, Margaret Farragher started the new post of Director of Education, bringing many years of experience from UCAS. The successful recruitment of these two posts completes the top management restructure and represents the first complete Executive Team in a number of years, bringing further experience and knowledge to the organisation. Both Leah and Margaret will provide very capable support for CEO Justin Edwards as he leads the organisation into 2019.

As we move into 2018–19, work will continue on CCEA's Estates Strategy to determine the best fit for purpose site for the organisation. This may be a new site or a remodelling of our current locations at Clarendon Dock and Mallusk. The Estates Strategy presents CCEA with new opportunities that will further support the organisation's key operational activities and the Council's vision.

At CCEA, we have always recognised the importance of professional development, in particular for teachers, and the role this plays in supporting them to deliver the Northern Ireland Curriculum and Qualifications in the classroom. In 2017–18, we have worked alongside the Department of Education, the Education Authority and Area Learning Communities to ensure we are providing the right professional development opportunities and our teachers are able to make the best use of the wide range of resources available. Throughout the next year, I am confident that CCEA will continue to listen and deliver the most needed professional development opportunities and, in turn, continue to make a positive impact on the education sector.

This year we started to see the first tangible out workings of the policy divergence in GCE and GCSE qualifications across the three countries: England, Northern Ireland and Wales. In Northern Ireland, at GCSE level the first of the 9–1 GCSE grades were introduced by English awarding organisations, alongside the current A*–G grading system. CCEA Regulation began the important work of raising awareness and understanding of these changes among learners, teachers, parents and employers, with this work continuing to pick up pace in 2018–19.

Summer 2017 saw a considerable increase in our market share of GCSE and GCE qualifications. CCEA GCSE qualifications market share now accounts for over 87.6% of the Northern Ireland market, with the GCE market share increasing to 80.5%. I see this as a vote of confidence in the organisation by the teaching community; that we do a good job, provide excellent support and the qualifications most appropriate for Northern Ireland's learners and the wider local economy.

The skills-based Northern Ireland Curriculum, implemented over 10 years ago, continues to respond to the ever-changing world. Digital skills, in particular, have come to the forefront. Our Digital Skills Framework continues to build thinking skills into the process of learning about the digital world. The Northern Ireland Curriculum is admired throughout the world, and we continue to look at opportunities to ensure the content is fresh and fit for purpose.

In the year ahead, like all public sector organisations, we will continue to face the pressure of delivering more for less. I know that CCEA staff will continue to look at ways to modernise our operations to decrease this pressure and to ensure we continue to deliver the best possible services to learners, schools, colleges and the wider community.

2018–19 will also bring some additional challenges for the organisation. For example, we have no further clarity on how Brexit will take shape and affect Northern Ireland. I am confident that CCEA will meet any challenges head on in this changing environment and it will be even more critical that we continue to be a listening organisation.

The teaching workforce of Northern Ireland, as we all know, plays a vital role in the success of our education system. Teachers also help to support much of the work that CCEA carries out in both the curriculum and qualifications. I would like to express my thanks, on behalf of the organisation, to the many head teachers and wider teaching staff that continue to support CCEA in the work that we do. From undertaking the crucial role of examiners and moderators, to choosing CCEA as your qualifications provider; from giving your feedback on the work that we do, to working collaboratively with CCEA in sharing best practice with your peers. We greatly value the important part that you play and I look forward to this valued partnership continuing in 2018–19, as we continue to meet the needs of our learners and the local community.

Trevor Carson
Chairperson
CCEA

Our Council

Membership as at 31 March 2018

Our Council consists of a Chairperson and members who are appointed by the Department of Education (DE). The Council includes representatives from education, industry and commerce. It is responsible for the governance of CCEA.



Mr Trevor Carson CBIol MRSB
(Chairperson)
Education Professional



Mrs Christine Harpur
Business Consultant



Dr Neill Morton OBE
Former Principal
Portora Royal School,
Enniskillen



Dr Leslie Caul OBE
Director
Irish Football Association



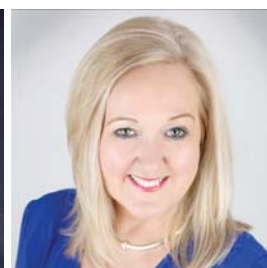
Mrs Carol Fitzsimons MBE
Chief Executive
Young Enterprise NI



Dr Ana Kerr
Education Consultant



Mr Cormac McKinney
Principal
St Colman's College, Newry



Mrs Kathleen O'Hare
Principal
Hazelwood Integrated College,
Newtownabbey



Mr Brian Wilson
Skills Adviser (Partnerships,
Education and Society)
British Council Northern
Ireland



Mrs Rosemary Cowan
Lecturer (Business and
Management)
Queen's University Belfast



Mr Robert Thompson
Former Head Teacher
Doagh Primary School,
Ballyclare

Mr Trevor Carson's appointment as Chairperson is effective from 1 February 2017 until 31 January 2021.

A special thanks to Mrs Angela Whiteside and Mr Tom Armstrong, who served on our Council until early 2018.

Statement of Accounting Officer's Responsibilities

Under Schedule 3 of the Education (Northern Ireland) Order 1998, the Department of Education (DE), with the approval of the Department of Finance (DoF), has directed CCEA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CCEA and of its Statement of Comprehensive Net Expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the government's *Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by DE, 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's *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

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

Annual Governance Statement

1 April 2017 to 31 March 2018

Scope of responsibility

As Accounting Officer for CCEA, I am responsible for ensuring effective governance and a supporting robust internal control system to enable the achievement of CCEA's aims and objectives; the purpose of which is to meet stakeholder needs and expectations, including its support for the achievement of relevant strategic aims and objectives of CCEA's sponsoring body, the Department of Education (DE).

I have accountability for ensuring that CCEA complies with all relevant legislation, regulations and codes of practice, including compliance with *Managing Public Money Northern Ireland* (MPMNI). I have responsibility for safeguarding the public money entrusted to CCEA, providing assurance that these funds are managed with probity and that CCEA business is discharged economically, effectively and efficiently.

CCEA's business is conducted with application of the Seven Principles of Public Life, as set by the Committee on Standards in Public Life. These are enshrined in CCEA's Code of Ethics and supported by CCEA's values. Through these and CCEA's assurance framework, CCEA has demonstrated engagement with and response to stakeholder needs, as well as a commitment to delivering its services effectively with transparency, openness, inclusivity and continual improvement.

CCEA's governance and management framework

The duties and responsibilities of CCEA are set out in the Education (Northern Ireland) Order 1998.

CCEA's Council is responsible for:

- establishing CCEA's overall strategic direction in consideration of alignment with DE policy;
- advising the Department on matters pertaining to and relevant for the maintenance of good practice in issues relating to the Northern Ireland Curriculum and Assessment in the province;
- ensuring sound financial management in CCEA through timely review of financial information and approval of significant expenditure;
- representing CCEA in the wider field of education; and
- ensuring that the appropriate policies are established and implemented to comply with relevant legislation.

The Council operates within an established code of conduct based on the Seven Principles of Public Life.

CCEA's Governing Council and Committees

There are documented Terms of Reference and remits for the Council and all sub-committees.

The committees are:

- Finance Committee;
- Audit and Risk Assurance Committee;
- Education Committee;

- Regulatory Advisory Committee; and
- Remuneration Committee.

At each Council meeting, members receive reports from all recent committees. These reports, delivered by the Committee Chairs, outline key items of business and actions and decisions taken by the Committees. To facilitate more detailed comment, minutes of committee meetings are also provided to Council members.

During the financial reporting year, CCEA's Council met four times. Committee schedules were as follows:

- Finance Committee met four times;
- Audit and Risk Assurance Committee met four times;
- Education Committee met twice;
- Regulatory Advisory Committee met twice; and
- Remuneration Committee met once.

Attendance by individual members at Council and Committee meetings is provided in the table that follows.

Council/Committee Members' Attendance for Financial Year April 2017–March 2018

| Members | Council Meetings (4 in year) | Audit and Risk Assurance Committee Meetings (4 in year) | Finance Committee Meetings (4 in year) | Education Committee Meetings (2 in year) | Regulatory Advisory Committee Meetings (2 in year)# | Remuneration Committee Meetings (1 in year) | Percentage Attendance |
|---|------------------------------|---|--|--|---|---|-----------------------|
| Mr T Carson (Chair) | 4 | n/a | 4 | n/a | 2 | 1 | 100% |
| Mr C McKinney | 3 | 3 | n/a | 1 | n/a | n/a | 70% |
| Dr L Caul (Chair of Audit and Risk Assurance Committee) | 3 | 4 | n/a | 2 | n/a | 1 | 91% |
| Mr T Armstrong (Term of office ended 28 March 2018) | 1 | n/a | n/a | 0 | n/a | n/a | 17% |
| Dr N Morton (Chair of Education Committee) | 3 | n/a | 4 | 2 | n/a | 1 | 91% |
| Mrs C Fitzsimons | 4 | n/a | 3 | n/a | n/a | 1 | 89% |
| Mrs C Harpur | 4 | 1 | n/a | n/a | 2 | n/a | 70% |
| Mr RJ Thompson | 3 | n/a | 3 | 2 | n/a | 1 | 82% |
| Mr B Wilson | 3 | 2 | n/a | n/a | n/a | n/a | 63% |
| Dr A Kerr | 4 | 2 | n/a | 2 | n/a | n/a | 80% |
| Mrs A Whiteside (Term of office ended 28 March 2018) | 3 | 1 | n/a | n/a | n/a | n/a | 50% |
| Mrs R Cowan | 2 | n/a | 4 | n/a | n/a | 0 | 75% |
| Mrs K O'Hare | 2 | 1 | n/a | 1 | n/a | n/a | 40% |
| Ms A McCrudden (Term of office ended 28 March 2018) | 0 | n/a | n/a | n/a | n/a | n/a | 0% |
| Dr G Byrne * | n/a | 4 | n/a | n/a | n/a | n/a | 100% |
| Mr J Burns ° | n/a | n/a | n/a | 2 | n/a | n/a | 100% |
| Ms S McGahan ° | n/a | n/a | n/a | 2 | n/a | n/a | 100% |
| Ms P Slevin ° | n/a | n/a | n/a | 2 | n/a | n/a | 100% |
| Ms C Currie ° | n/a | n/a | n/a | 2 | n/a | n/a | 100% |
| Mrs J Bartley ° | n/a | n/a | n/a | 1 | n/a | n/a | 50% |
| Mrs D Ui Cheallaigh ° | n/a | n/a | n/a | 1 | n/a | n/a | 50% |
| Mr D Donnelly ° | n/a | n/a | n/a | 1 | n/a | n/a | 50% |
| Ms D O'Hare ° | n/a | n/a | n/a | 1 | n/a | n/a | 50% |
| Dr R Davison # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Mr J Wilkinson # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Dr A Farrell # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Mr P Blaker # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Ms A Clydesdale # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Dr F Graham # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Mr T Gray # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Dr J Brown # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Mr B Doran # | n/a | n/a | n/a | n/a | 2 | n/a | 100% |
| Dr K Marshall # | n/a | n/a | n/a | n/a | 1 | n/a | 50% |

This symbol denotes a co-opted member of the Regulatory Advisory Committee.

° This symbol denotes a co-opted expert member of the Education Committee.

* This symbol denotes a co-opted expert member of the Audit and Risk Assurance Committee.

As noted above, CCEA has co-opted an independent member to the Audit and Risk Assurance Committee who provides enhanced financial and audit expertise.

During 2017–18, in assessing its own effectiveness, the Council continued to enhance the governance approach with a number of improvements:

- improved induction training and supporting literature for new or recently appointed Board Members;
- rotation of existing Council members to new sub-committees, ensuring optimal utilisation of skills and experience;
- appointment of new Council members to further widen and strengthen the diversity and experience on the Council;
- training and development events for Council members;
- continuing evaluation of effectiveness; and
- co-option of sector representatives to the Education Committee, ensuring wider stakeholder representation.

CCEA’s Audit and Risk Assurance Committee

CCEA’s Audit and Risk Assurance Committee acts in support of the Council in relation to gaining assurance on risk management, control and governance within the organisation. The Committee considers information provided by the Executive concerning all relevant aspects of CCEA’s assurance and governance frameworks.

Regular items of business include:

- procurement;
- compliance with legislation;
- the effectiveness of the risk management framework;
- an annual audit of accounts;
- internal audit activity;
- counter-fraud strategies; and
- regulation of qualifications.

The Committee is responsible for ensuring that the assurance provided by the Executive is appropriate.

The Audit and Risk Assurance Committee has completed a number of improvements arising from its self-assessment exercise based on the Audit and Risk Assurance Committee Handbook. An updated handbook provided from the Dear Accounting Officer (DAO) letter in early April 2018 will be included in the self-assessment exercise in 2018–19.

In addition to Audit and Risk Assurance Committee members, who consist of non-executive members of Council and one independent co-opted member, meetings are attended by CCEA’s outsourced internal audit function, DE, the Northern Ireland Audit Office (NIAO) and PWC (as contracted auditors on behalf of NIAO).

The core committee members meet privately with internal audit and, when requested, with NIAO and external audit.

Internal Audit Reviews

The following Internal Audit Reviews have been completed during 2017–18:

| Audit Area | Status | Assurance Rating |
|--|-------------------------------|-------------------------|
| Income and Debtors | Complete | Satisfactory |
| Procurement, Tenders and Contracts | Complete | Satisfactory |
| ICT: Software Testing and Release | Complete | Limited |
| Corporate and Business Planning | Complete | Satisfactory |
| Customer Engagement and Satisfaction | Complete | Satisfactory |
| Moderators and Examiners (recruitment and Quality assurance) | Complete | Satisfactory |
| ICT Asset Management | Complete | Satisfactory |
| Review of General Conditions of Recognition (GCOR) 2017–18 | Scheduled July/August 2018 | Unknown |

All reviews, together with the Annual Internal Audit Report for the year ended 31 March 2018, were presented to the Audit and Risk Assurance Committee in April 2018.

Six of the audit areas have a satisfactory rating. The internal audit on ICT software testing and release focused on CCEA's compliance with industry best practice in the 'Agile' approach to ICT software testing. This audit was given a Limited assurance, however it does not include any Priority 1 actions but five Priority 2 and two Priority 3 actions. Management have partially accepted three recommendations, accepted four recommendations and have committed to a series of actions to address concerns. Actions relate to clarification of a master testing strategy, improvements to the management of user engagement and user acceptance testing throughout the business, including quality assurance of user stories, better participation at engagement activities and improvements to documentation. Internal audit will follow up on progress achieved during the next cycle.

In assessing the level of assurance, the auditors have taken into account the following:

- the results of all assurance assignments undertaken by Internal Audit during the period and in previous years;
- the fact that all recommendations have been accepted and will be addressed by management;
- any limitations that may have been placed on the scope of our internal audit work; and
- the extent to which resource constraints may impinge on our ability to meet the full audit needs of the Council.

As a result of these audits and the details above, the auditors are providing the Council with the following overall assurance rating in relation to CCEA's system of internal control:

SATISFACTORY

CCEA's Management Framework

During 2017–18, there have been changes in CCEA's Executive Team (ET). From 1 April 2017 to 31 September 2017, ET comprised the Chief Executive, a Director of Education Strategy and an interim Director of Corporate Services. The Director of Education Strategy departed under CCEA's 2017 Voluntary Exit Scheme. In September 2017 a new Director of Finance and Corporate Services joined ET, and the new Director of Education joined in January 2018.

The Executive Team meets weekly (unless the Chief Executive is unavailable) and reviews operational matters on a six-week cycle. These matters include:

- Corporate Risk;
- Financial Performance and Management;
- Performance Against Corporate Plan, Departmental Business Plan and Council Business Plan;
- Human Resource Indicators;
- Estates Performance Indicators and Performance;
- IT/Information Systems Indicators and Performance;
- Qualifications and Examinations Indicators and Performance;
- Curriculum Indicators and Performance;
- Legislative Compliance; and
- Complaints and Exception Reporting.

At the beginning of the 2016–17 year, the three former management boards (Resources, Quality and Operations and Educational Solutions Boards) were merged to form a monthly Management Forum. The Management Forum continued to meet in the 2017–18 year, considering matters pertinent to middle managers, including resourcing (finance and human), strategic planning, operational risk and the management of exceptions.

Under the requirements of the three ISO standards CCEA employs (ISO 9001, ISO 14001 and OHSAS 18001), CCEA conducts Management Review Meetings (MRM) on at least an annual basis. The focus of these meetings is to review the effectiveness of CCEA's quality, environmental and health and safety management systems in terms of compliance with the ISO standards and to support delivery of CCEA's objectives. Areas for improvement identified throughout the year, whether through ISO external assessments, audits and/or previous MRMs, are considered. Examples of positive improvements delivered through this mechanism during 2017–18 include reviewing the management review meeting process, which is now included in the Management Forum, and a review of the ISO audit process. There have also been improvements made in the area of health and safety management with a review of the Health and Safety Committee and its Terms of Reference.

CCEA's Sponsoring Department (DE)

Senior representatives from DE meet on a regular basis with CCEA's Chief Executive, Executive Team and/or Council members in respect of pertinent issues, to discuss risks and progress key deliverables. Meetings include regular Governance and Accountability Reviews, which are attended by the Council Chair and senior DE officials. DE has also attended some Council and Committee meetings.

Compliance with the Corporate Governance in Central Government Departments: Code of Good Practice NI 2013

CCEA has undertaken an assessment of CCEA's compliance with the Corporate Governance in Central Government Departments: Code of Good Practice NI 2013. This evaluation confirms that CCEA complies with requirements.

Evaluation of the quality of data provided to CCEA Council

Results from the evaluation of Council effectiveness indicate that Council members feel that the range, value, integrity and appropriateness of data provided to Council and Committees by the Executive is appropriate.

Specific feedback, noted through self-evaluation, has been implemented as improvement actions, including the following:

- the introduction of Minute Pad training to all Council and committee members and supporting CCEA officers as the Council moves to an e-governance format;
- the Council Chair has introduced meetings with the Chairs of each committee to improve direct feedback, the members' appraisal process and the effectiveness of committee outputs;
- improvement to financial reports, including improved operational and strategic detail, are presented on a quarterly basis to the committee;
- Human Resources continues as a standing item on the Finance Committee with detailed information provided by the specialist managers; and
- detailed feedback on internal audit assessments from internal and external auditors continue to be provided as contextual information on CCEA's risk environment.

The Council Chair also attends the Chairs' Forum, which is a representative forum of public and Arm's Length Bodies to reinforce and share effective governance practice in the public sector.

Ministerial direction

CCEA has not been subject to any Ministerial Directions during 2017–18.

Risk assessment

Capacity to Handle Risk

CCEA's Corporate Risk Register contains nine risks. The register is reviewed on a quarterly basis and considered by the Executive Team and the Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee Chair provides regular reports to Council on risks, mitigations and actions.

Since the DE review of October 2017 and subsequent to matters arising from the Summer 2017 examination series, CCEA has added an additional risk that represents the ongoing proactive management of risks that CCEA adopts: CR9 – Failure to manage reputational risk and brand value.

In line with HM Treasury's Orange Book, CCEA's risk management framework ensures that CCEA's risks are aligned to CCEA's corporate objectives. Risk management is therefore integrated into CCEA's strategic planning and other management strategies.

Certain risks, within the Corporate Risk Register, have mitigations that lie beyond CCEA's control. For example, industrial action by teachers, and the potential impact on delivering objectives, can only be met by resolving the industrial dispute. CCEA has ensured risk mitigation and/or contingency arrangements are enhanced to more effectively manage the risks. Council and DE are kept informed of any risks that increase beyond CCEA's risk appetite threshold.

Risk and Control

CCEA considers risks at operational, business and corporate levels with the risk management framework encompassing key policies, such as risk management, whistle-blowing and counter-fraud policies; ISO controlled procedures, including a risk management process manual; training, plans and guidance, for example CCEA's business continuity plan. This suite of documentation is reviewed on at least an annual basis with reference to relevant advice, legislative changes or suggestions for improvement, for example from audits undertaken. This ensures that the framework reflects best practice and all documentation is accessible to staff through CCEA's SharePoint Hub.

CCEA's Assurance Framework

A comprehensive assurance framework supports CCEA's risk management and governance frameworks. The framework comprises a number of systems that provide CCEA with assurance on its business and act as risk management mechanisms to identify issues, which can then be mitigated, and improvements made.

Significant features within the assurance framework include:

- **Internal Audit**
CCEA's internal audit function is outsourced and, as required, operates to Public Sector Internal Audit Standards. CCEA's current provider developed a three-year internal audit strategy and an annual operational plan, both approved by the Audit and Risk Assurance Committee. The 2017–18 internal audit operational plan referenced seven risk-based audits and one audit of assessment of compliance against the GCOR, which are established by the Qualifications Regulators and with which all awarding organisations must comply. All seven risk-based audits are complete. Six of these have a satisfactory rating with one audit outlined as having limited assurance. The limited assurance audit does not have any Priority 1 actions but Priority 2 and 3 actions only. Internal Audit's overall level of assurance for 2017–18 is rated as satisfactory.
- **External Audit**
PricewaterhouseCoopers LLP undertakes the external audit function for CCEA on behalf of the NIAO. CCEA's Report to those Charged with Governance issued by NIAO for 2017 stated the Comptroller and Auditor General had certified CCEA's accounts with an unqualified audit opinion without modification. The external audit only identified one recommendation (Priority 2). This action was completed by August 2017.
- **CCEA's planning and performance management framework**
Objectives and targets for CCEA are set and managed through CCEA's Corporate Plan. This incorporates those objectives identified in the DE Business Plan. Each quarter, performance achievement against these plans is measured and evaluated by CCEA's Business Assurance unit and reviewed by the Executive Team. The performance is then reported to CCEA's Finance Committee.

The end of year report for the final quarter (January–March 2018) is in progress but not yet complete. The previous quarter performance (December 2017) indicates that of the 145 objectives, 133 (91.72%) are either achieved or on track for achievement.

One objective has not been achieved and one objective is not likely to be achieved.

- (1) Objective not achieved (2.1 QUALITY: All examination papers, available to centres, are error-free).
There has been one issue to date: GCSE Biology, Unit 1 Higher Tier, (GBY12) Question 9(a). There was an error in the question paper, although the question was still able to be answered and a review of scripts indicated that the question performed as planned.
- (2) Objective not likely to be achieved (5.1 SOLUTIONS: Reduction in the number of component candidate scripts translated in Summer 2017 series by 7%).
The pool of Irish Medium Examiners has been exhausted. Alternative recruitment strategies have not increased the pool.

- **Regulation**
CCEA, as a recognised awarding organisation, undertook its annual self-assessment exercise in Summer 2017. This was against the Regulatory General Conditions of Recognition. The evaluation of compliance was subject to an independent audit by CCEA's outsourced internal audit function from which CCEA submitted a statement of full compliance to the Regulators. This process was subject to approval by the Audit and Risk Assurance Committee and Council.

- **ISO 9001 (Quality), ISO 14001 (Environmental), OHSAS 18001 (Health and Safety)**
 Within the year 2017–18, CCEA was successfully recertified to ISO 9001, ISO 14001, and OHSAS 18001. These standards are concerned with the quality of CCEA's products and services, CCEA's compliance with legislation and its achievements in terms of environmental performance and health, safety and well-being. As part of this process, CCEA seeks to ensure it meets customer and stakeholder needs and expectations and in respect of CCEA's governance and accountability as a public body.
- **ISO 27001 (Information Security)**
 Within the year 2017–18, assessment of CCEA's compliance with the information security standard, ISO 27001, was reaffirmed in May 2017 with retention of certification to the standard. This provides assurance over CCEA's information security controls.
- **ISO 20000 (Information Technology Service Management Standard)**
 During 2017–18, CCEA achieved certification for the second time in May 2017 to this standard, which provides assurance over the effective delivery of services to CCEA's internal and external customers. This is particularly pertinent as CCEA develops more online services and products. This standard is held by very few organisations, therefore, CCEA's certification is significant in terms of assurance levels in this area.
- **Investors in People Standard (IiP)**
 CCEA continues to hold IiP silver accreditation.
- **Learning and Development**
 We continue to make strong commitments to developing staff in the knowledge and skills required for current and future career development opportunities. The corporate agenda drives all of our training initiatives. In 2017–18, we provided a range of training and development opportunities to all grades within the organisation. We successfully delivered the AGILE programme, which incorporated five main themes: Leadership, Compliance, HR Fundamentals, Digital Systems Applications and Change Management. We designed the workshops below to be challenging and bespoke to our business need:

 - Leadership included training on Performance Management and Positivity and Resilience;
 - Compliance included training on Business Cases and Procurement;
 - HR Fundamentals included training on Absence Management and Conducting Investigations;
 - Digital Systems Applications included training on using Yammer and SharePoint; and
 - Change Management included training on Self-Management and Strategic Planning.
- **Financial Management**
 During 2017–18, CCEA has delivered on the savings plans identified in the Voluntary Exit Schemes from 2015–16 and 2016–17. CCEA continues to have effective financial management processes in place, including regular budget monitoring and reporting both internally and to DE.
- **Post Project Evaluation**
 CCEA conducts Post Project Evaluations (PPEs) in line with recommended practice as directed by the Department of Finance. During 2017–18, CCEA completed 200 PPEs. All PPEs required by DE within the 2017–18 year were submitted within agreed timelines.

- **Business Assurance**

CCEA's independent Business Assurance unit is responsible for undertaking the necessary work to give assurance to the Chief Executive, Audit and Risk Assurance Committee and Council that the risk, governance and control frameworks in CCEA are effective. This work covers the continued certification to ISO 9001, ISO 14001, OHSAS 18001 and audits associated with ISO 27001 and ISO 20000; PPEs; legislative compliance assessments; audits; process reviews and the recommendations associated with these.

Management of Information Risks

CCEA has a suite of documented policies, procedures and guidance, ensuring information risks are appropriately managed.

Preparation for General Data Protection Regulation (GDPR) Compliance in May 2018

A project plan has been developed and a Steering Group of key members of staff across the organisation are tasked with driving forward compliance with the GDPR. The Steering Group is led by the Director of Finance and Corporate Services and progress towards compliance is reported through the Executive Team to the Chief Executive. A team-based information audit has been completed as part of this process and a review of the Disposal of Documents Schedule is underway. Policies and procedures (including privacy notices) are being reviewed to ensure compliance with the GDPR. CCEA has a designated Data Protection Officer in line with the Data Protection Act 1998. Awareness raising sessions were provided to staff throughout the 2017–18 year.

Personal data related incidents

Within the 2017–18 year, there were no reported personal data breaches.

In preparation for the GDPR in May 2018, and following the CCEA commissioned full review and audit of the framework for dealing with Data Protection carried out in 2016, a Steering Group has been in place throughout the 2017–18 year to progress preparations for GDPR.

CCEA has had no cases with the Information Commissioner's Office (ICO) during 2017–18 and no cases are pending.

Compliance with policies, procedures, laws and regulations

CCEA continues to monitor the compliance registers through the annual audit and review process for all relevant policies, procedures and legislation and the CCEA legislative compliance assessment framework.

There have been no breaches of legislation or other requirements in 2017–18.

Safeguards against losses

CCEA has a robust framework of ISO controlled procedures and policies to counter fraud. These are reviewed on at least an annual basis and include a counter-fraud policy, fraud response plan and whistle-blowing policy.

CCEA continued, during this year, to engage with the National Fraud Initiative. CCEA investigated all its matches with no instance of fraud.

CCEA did not suffer any losses during 2017–18 as a result of fraud. There were attempts to defraud, through phishing emails; however, these were identified as attempted fraud through the normal operation of controls and therefore no loss was incurred.

Significant internal control issues

During 2017–18, there was one incidence of risk materialisation. This related to the conduct of Summer 2017 GCE examinations, more specifically AS English Literature (GCE revised specification), which resulted in adverse media attention. Consequently, internal and external reviews have been completed and an additional corporate risk was added to the Corporate Risk Register. An action plan is in development as a result of the internal and external review and progress against action will be reported to the Education Committee, on behalf of Council, during the 2018–2019 financial year.

Significant Issues Identified by Internal Audit

During 2017–18, there were no Priority 1 recommendations identified by Internal Audit. All recommendations identified through the seven internal audit exercises were categorised as Priority 2 or 3 recommendations.

Management acknowledge the limited assurance given in the internal audit on ICT software testing and release and have implemented the recommendations to address (see page 49). In management's view, the corrective measures have ensured that there will be no material impact on CCEA's operations.

Information Governance

As noted above, during the reporting year there were no personal data breaches.

CCEA's identified corporate risks

CCEA's Corporate Risk Register details nine high level risks, which are related to the achievement of CCEA's key objectives. As part of CCEA's established risk management framework, the final quarter review of CCEA's 2017–18 risks is underway.

The nine corporate risks are outlined below:

1. failure to ensure adequate processes and resources to provide quality services and products in Curriculum, Assessment, Examinations and Regulation;
2. failure to ensure availability of a full range and scope of qualifications that will meet the needs of all learners in Northern Ireland and that the qualifications offered align with Government Policy;
3. failure to deliver on targets (within budget) as outlined in the Corporate, Business and Financial Plans;
4. failure to ensure that appropriate resources are in place and effective to provide the quality digital solutions required by CCEA;
5. failure in the delivery of products, services or systems as a result of third-party dependencies;
6. failure to ensure that qualifications taken by learners in Northern Ireland are comparable with standards of similar qualifications offered by other awarding organisations and in other jurisdictions;
7. failure to ensure the safety of children and young people;
8. failure to adequately protect data and data services; and
9. failure to manage reputational risk and brand value.

Management of Significant Risks

| Description of Issue | Remedial Action Taken or Proposed | Projected Timescales to Resolve the Issue |
|--|---|--|
| Reform/Revision of General Qualifications (GCSE and A/AS levels) across England, Wales and Northern Ireland has implications for comparability and currency of CCEA qualifications | The CCEA Regulator will continue to work with Ofqual and Qualifications Wales (QW) to ensure common awarding procedures are used. This provides reassurance that standards across awarding organisations and over time are maintained. | CCEA Regulation will continue to work closely with Ofqual and QW on awarding. |
| Reform/Revision of General Qualifications (GCSE and A/AS levels) across England, Wales and Northern Ireland has implications for comparability and currency of CCEA qualifications | CCEA Regulation have in place robust plans to monitor CCEA awarding organisation to ensure that assessment arrangements are valid and reliable, and in line with what was agreed during the accreditation. | Detailed monitoring plans are in place for the next three years. |
| Reform/Revision of General Qualifications (GCSE and A/AS levels) across England, Wales and Northern Ireland has implications for comparability and currency of CCEA qualifications | The change in England to 9–1 GCSE grading has required a review of CCEA GCSE grading. From first awarding in Summer 2019, a new grade scale is to be introduced by CCEA. | A communications plan for GCSE grading has been agreed by Council and will be monitored on a monthly basis by a high level Project Group. |
| The conduct of Summer 2017 GCE examinations, more specifically AS English Literature (GCE revised specification), which resulted in adverse media attention | Internal and external reviews have been completed and an additional corporate risk was added to the Corporate Risk Register. | An action plan is in development as a result of the internal and external review and progress against action will be reported to the Education Committee, on behalf of Council, during the 2018–19 financial year. |
| Industrial Action Short of Strike continues within the education sector. The action is impacting participation in end of key stage assessment and resulting in declines in participation in development activities related to the conduct of examinations. | CCEA is not a part of the negotiating body with teachers' unions. As such, CCEA can only draw attention to those bodies involved in resolving the industrial action and the risks pertaining to the consequences of the action. CCEA will continue to inform relevant parties of the risks to CCEA's assessment and examinations operations of continued industrial action short of a strike. | Notice to relevant parties before commencement of Summer 2018 examination series and 2018–19 assessment cycle. |

The United Kingdom's decision to leave the European Union

CCEA has provided input to the Department of Education and we understand that following the United Kingdom's (UK) decision to leave the European Union (EU), we will keep the Department of Education updated on the strategic and operational level of preparations to ensure a seamless transition from the day following exit.

Significant outcomes

Throughout the 2017–18 year, CCEA continued to develop and deliver a wide range of services and products designed to meet customer and stakeholder needs and expectations.

Key achievements during 2017–18

- The first teaching of 38 revised GCSE specifications including two new qualifications: GCSE Government and Politics and GCSE Statistics;
- Delivery of a successful summer examinations series;
- Publication and communication of the Insight Report, which validated CCEA's qualifications strategies and highlighted the governance and transparency of CCEA's open data. This report was presented at the Insight Report launch to a range of stakeholder groups, which supported ongoing dialogue between policymakers, education professionals and industry in a collaborative approach to improving education;
- The launch and implementation of CCEA Analytics, an online tool for teachers to analyse their centre's GCE/GCSE results. The application has been developed, with the insight of teachers, for use in centres across Northern Ireland;
- Development and successful launch of the GCSE Grading communications project by the Regulator. This strategy aims to communicate the changes to GCSE grading in Northern Ireland, with the introduction of numerical 9–1 grading for AQA, OCR, Pearson and Eduqas (part of WJEC) and the introduction of the new C* in CCEA's A*–G grading;
- Extension of CCEA's role as a Regulator of qualifications in Northern Ireland to include technical and professional qualifications in place of Ofqual;
- Introduction to webinars to support the Exemplification of Examination Performance;
- Delivery of CCEA's first Educating the iGeneration Conference – this conference focused on raising awareness of the need to develop digital skills within our schools and colleges, with the aim of making learners more ready to meet the economic opportunities of tomorrow. The event brought together education policymakers from 24 countries across Europe, with school leaders and key people from the world of business. Our aim was to ensure that school leaders went away with a range of strategies and approaches to developing digital skills in their schools;
- The successful delivery of three large scale conferences, supporting further professional development for primary and post-primary teachers:
 - the Special Educational Needs (SEN) Conference highlighted how creativity and aspirational thinking can enhance classroom practice within SEN schools;
 - the Problem Solving in Mathematics Conference provided post-primary mathematics teachers with the opportunity to discuss the importance and benefits of problem solving in mathematics, how it can be developed within the classroom and how it is needed for work and life. The conference was facilitated by leaders from higher education and industry, including PwC, Ipsos Mori, University of Nottingham and Bank of Ireland UK; and
 - the Primary Conference: Share, Impact, Embed gave teachers and curriculum leaders the opportunity to attend a range of workshops (delivered by peers) that shared best practice and ideas on how to implement that practice in the classroom. Topics included 'Enquiring about Learning Through Play', 'Boosting Pupil Well-being Through Outdoor Science', 'How to Talk to Children about a Painting', 'Tackling Underachievement' and 'Reading Strategies that Make a Difference';

- Provision of high quality, tailored teacher professional learning to support the NI Curriculum, including the development of teachers' coding skills and integrating best practice into the teaching of Communication to move pupils on in their learning;
- Development of an online training and support area for the NI Curriculum website, including innovative approaches such as webinars and online mechanisms for capturing feedback and identifying training and support requirements;
- Provision of high quality curriculum and assessment resources and support, in respect of, for example:
 - development of units of work to support the teaching and learning of Using Mathematics and problem-solving skills and guidance for teachers on Financial Capability;
 - a suite of resources, including case studies and video footage of best practice, in a number of areas including Science, Technology, Engineering and Mathematics (STEM) and The World Around Us, Primary Irish, Ulster Scots and Cultural Heritage;
 - development of a Digital Skills Curriculum as well as teaching units and support for specific topics such as Microsoft Touch, Garage Band and C#; and
 - development of online curricular resources in response to in-year DE requests to support relevant current issues, for example Understanding 1917 and Beyond and Teaching Controversial Issues;
- Support for pupils with SEN, including the development of tracking software for Quest and Q Skills and provision of training and development of resources in Irish Medium;
- Collaboration with the Education Authority to deliver a series of Shared Education modules for the Shared Education Signature Project, with a focus on Thinking Skills and Learning for Life and Work;
- Increase in CCEA's Northern Ireland examinations market share at both GCSE and GCE levels. GCSE levels rose 9.3% from 2016 to 87.6% of all entries in Northern Ireland, with the GCE market rising 4.6% to 80.5%;
- Increased services online delivered through CCEA's modernisation agenda, including 100% E-Moderation and increased online marking (420,000 scripts);
- A new enhanced CCEA analytics application has been developed and released to centres in January 2018. The application provides centres with data around all GCE and GCSE subjects taken with CCEA and in addition provides item level data for components marked online (apart from components that have options);
- 91.72% of objectives achieved or on target for achievement from CCEA's DE Business and Corporate Plans as noted at the last quarter monitoring of CCEA's performance against these plans;
- Effective management of the third tranche of VES to meet budgetary constraints;
- Full recertification to ISO 9001, ISO 14001, OHSAS 18001; and
- All Internal Audit Reviews, including annual opinion resulting in satisfactory assurance ratings.

Review of effectiveness

As Accounting Officer, I am responsible for reviewing the effectiveness of the risk, governance and control frameworks and processes. In considering effectiveness I have reviewed:

- the scope and findings of the internal audit, including the overall level of satisfactory assurance for 2017–18;
- the findings of the external audit;
- information derived from the operation of CCEA’s Assurance Framework; and
- the assurance provided by senior managers and Business Assurance, including:
 - management system audits;
 - the risk management system and outputs; and
 - the range of international standards implemented within CCEA.

I have therefore concluded that CCEA has demonstrated sound governance, risk management and internal control during 2017–18.

This draft Governance Statement was formally reviewed and recommended by CCEA’s Audit and Risk Committee on 18 April 2018.

Signed:



Date:

20.6.18

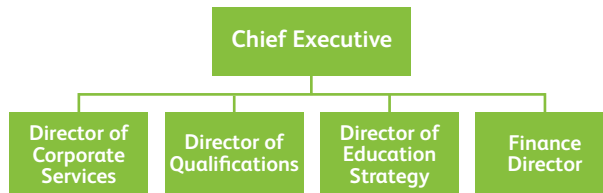
Justin Edwards
Chief Executive

Remuneration Report

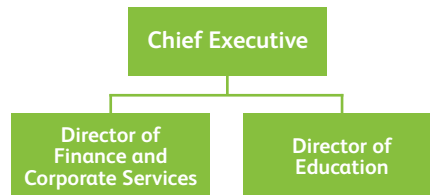
CCEA Executive Team

CCEA's Executive Team previously consisted of the Chief Executive and four Directors. As planned, during 2017–18 CCEA reorganised into two Directorates, which the Chief Executive's Office oversees.

Previous structure:



New structure:



The Director of Finance and Corporate Services was appointed in September 2017, and the Director of Education was appointed in January 2018.

For the period April 2017 to August 2017, the CCEA Executive Team consisted of:

- the Chief Executive;
- the Director of Education Strategy; and
- the interim Director of Corporate Services.

For the period September 2017 to December 2017, the CCEA Executive Team consisted of:

- the Chief Executive;
- the interim Director of Qualifications; and
- the Director of Finance and Corporate Services.

The post of Director of Education Strategy was suppressed, as planned, in September 2017 following the exit of the post holder under the voluntary exit scheme.

For the period January 2018 to March 2018, the CCEA Executive Team consisted of:

- the Chief Executive;
- the Director of Education; and
- the Director of Finance and Corporate Services.

The appointment of the Director of Education in January 2018 concluded the first and second tier restructuring.

Median Remuneration

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest-paid director in CCEA in the financial year 2017–18 was £100,000–£105,000 (in 2016–17, £95,000–£100,000). This was 3.50 times (in 2016–17, 3.56 times) the median remuneration of the workforce, which was £29,323 (in 2016–17, £27,394). This decrease in the ratio was due to the median remuneration increasing to a higher scale point. In 2017–18 and in 2016–17, no employees received remuneration in excess of the highest-paid director.

Emoluments and Pension Entitlements of Senior Management (Audited)

| | 2017–2018 | | | | 2016–2017 | | | |
|---|----------------|-------------------------|--------------------|---------|----------------|-------------------------|--------------------|---------|
| | Salary | Performance related pay | Pension benefits * | Total | Salary | Performance related pay | Pension benefits * | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Justin Edwards Chief Executive | 100–105 | – | 23 | 120–125 | 95–100 | 0 | 46 | 140–145 |
| Leah Scott Director of Finance and Corporate Services (Appointed 15 Sept 2017) Full Year Equivalent | 35–40 70–75 | – | 54 | 90–95 | – | – | – | – |
| Margaret Farragher Director of Education (Appointed 15 Jan 2018) Full Year Equivalent | 15–20 75–80 | – | 5 | 20–25 | – | – | – | – |
| Richard Hanna Director of Education Strategy (Left 31 Aug 2017) Full Year Equivalent | 30–35 75–80 | 5–10 | 3 | 40–45 | 75–80 | 5–10 | 53 | 130–135 |
| Sheila McClelland Interim Director of Corporate Services, then Interim Director of Qualifications (Left 28 Feb 2018) Full Year Equivalent | 55–60 75–80 | – | 19 | 75–80 | 60–65 75–80 | – | 20 | 80–85 |

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

Notes

Emoluments for the Chief Executive, the Director of Finance and Corporate Services, and the Director of Education consisted of gross salary in 2017–18. Emoluments for the Director of Education Strategy consisted of gross salary in 2017–18 and performance related pay (PRP) linked to performance in 2016–17. Emoluments for the interim Director of Corporate Services and the interim Director of Qualifications consisted of gross salary in 2017–18.

During the 2017–18 year, the Chairperson received a remuneration of £13,000. In addition, £752 was paid in respect of employer's National Insurance Contributions.

| | 2018 | 2017 |
|--|-------------------|------------------|
| Band of Highest-Paid Director's Total Remuneration | £100,000–£105,000 | £95,000–£100,000 |
| Median Total Remuneration | £29,323 | £27,394 |
| Ratio | 3.50 | 3.56 |
| Staff Remuneration Range | £15,000–£105,000 | £14,000–£100,000 |

Pension Entitlements

| | Real increase in pension earned in the year to 31/03/18 | Real increase/ (decrease) in accrued lump sum in the year to 31/03/18 | Total accrued pension at 31/03/18 | Total accrued lump sum at 31/03/18 | CETV at 31/03/18 | CETV at 31/03/17 | Real increase/ (decrease) in CETV |
|---|---|---|-----------------------------------|------------------------------------|------------------|------------------|-----------------------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Justin Edwards Chief Executive | 0–2.5 | 0–2.5 | 15–20 | 5–10 | 195 | 168 | 28 |
| Leah Scott Director of Finance and Corporate Services (Appointed 15 Sept 2017) | 2.5–5 | 0–2.5 | 15–20 | 10–15 | 171 | 135 | 34 |
| Margaret Farragher Director of Education (Appointed 15 Jan 2018) | 0–2.5 | 0–2.5 | 0–5 | 0–5 | 3 | 0 | 2 |
| Richard Hanna Director of Education Strategy (Left 31 Aug 2017) | 0–2.5 | 0–2.5 | 35–40 | 115–120 | 840 | 811 | 29 |
| Sheila McClelland Interim Director of Corporate Services, then Interim Director of Qualifications (Left 28 Feb 2018) | 0–2.5 | 0–2.5 | 0–5 | 0–5 | 40 | 26 | 14 |

Total remuneration includes salary and non-consolidated PRP, where relevant. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

Chairperson, Chief Executive and Director Employment Contracts

The current Chairperson was appointed by the Education Minister on 1 February 2013 and reappointed on 1 February 2017. The Chief Executive was appointed on 1 December 2014.

The Chief Executive and each of the Directors must serve a notice period of at least three months.

Chairperson, Chief Executive and Director Emoluments

The Chairperson's remuneration is determined by the Department of Education (DE) and paid monthly in arrears. Any proposed increase to the rate requires DE approval and is subject to a fully satisfactory performance review. The Chairperson does not receive PRP.

Chief Executive and Director salary levels are subject to scales approved by DE and, where required, the Department of Finance. The contractual remuneration of the Chief Executive and new Directors consists of salary and pension contributions. The contractual remuneration of the previous Directors consisted of salary, PRP (up to a maximum of 10% of basic salary) and pension contributions.

The Chief Executive and Directors do not receive any benefits in kind. Only termination payments relating to payment in lieu of notice and redundancy payments are made where necessary.

DE reviews and approves CCEA's Performance Related Pay Policy and Framework each year.

Council Members' Emoluments

Other Council members do not receive any emoluments.

Chairperson, Chief Executive and Director Pension Entitlements

The post of Chairperson is non-pensionable.

The pension entitlements of the Chief Executive and Directors are disclosed in the table on page 62. Members contribute to either the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC Scheme) or the Northern Ireland Teachers' Pension Scheme. You can find details for both in Note 5: Pension Commitments in the Notes to the Financial Statements section.

Remuneration Committee

One of the Remuneration Committee's main roles is to support the CCEA Council in its responsibilities for the remuneration of the Chief Executive, Directors, Business Managers and the main CCEA staff.

In relation to the CCEA Executive Team, the Committee is specifically responsible for:

- ratifying the Chief Executive's salary, as proposed by the Chairperson of Council in line with the terms and conditions of the Chief Executive's post; and
- ratifying the salary level and annual PRP for the previous Directors on the CCEA Executive Team, as proposed by the Chief Executive in line with CCEA's Performance Related Pay Policy and Framework.

The CCEA Chairperson appoints the members of the Committee. The Committee consists of a minimum of three members of the Council. The Chairperson of Council may also be a member of the Committee. DE officials may attend meetings in an observer capacity. The Committee meets at least once a year and at such other times as the Chair of the Committee requires. The Chair of the Committee provides the Council with a report on each meeting.

Cash Equivalent Transfer Value (CETV)

CETV is the actuarially assessed, capitalised value of the pension scheme benefits that an individual has accrued at a particular point in time. The benefits valued are the individual's accrued benefits plus any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, an arrangement to secure pension benefits in another pension scheme, or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown in the Emoluments and Pension Entitlements of Senior Management section relate to the benefits that the individual has accrued during their total membership of the pension scheme, not just during their service in a senior capacity.

The CETV figures and other pension details include the value of any pension benefit from another scheme or arrangement that the individual has transferred to the disclosed pension arrangement. They also include any additional pension benefit accrued by purchasing additional years of pension service in the scheme at their own expense. CETVs are calculated within the guidelines and framework described by the Institute and Faculty of Actuaries and according to guidance used by the Northern Ireland Civil Service in Employer Pension Notice EPN 12/2018.

Staff Report

Average Monthly Number of Persons Employed

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

| | Permanent staff/FTC* | Temporary STAFF | Total 2018 | Total 2017 |
|-------------------|----------------------|-----------------|------------|------------|
| Directly Employed | 312 | 34 | 346 | 406 |
| Total | 312 | 34 | 346 | 406 |

*Fixed term contract

Staff Costs

Staff costs comprise:

| | Permanent staff/FTC* 2018 | Temporary staff 2018 | Total 2018 | Total 2017 |
|-------------------------------------|---------------------------|----------------------|-------------------|------------|
| | £ | £ | £ | £ |
| Wages and salaries | 9,986,467 | 715,100 | 10,701,567 | 12,417,444 |
| Social Security costs | 1,044,449 | 33,253 | 1,077,702 | 1,224,182 |
| Pension costs | 2,992,270 | - | 2,992,270 | 2,071,613 |
| Reorganisation and Redundancy costs | 466,313 | - | 466,313 | 2,079,979 |
| TOTAL | 14,489,499 | 748,353 | 15,237,852 | 17,793,218 |

* Fixed Term Contract

Employee Sickness Absence

Average annual sickness absence for the reporting year from 31 March 2017 to 31 March 2018 increased from 7.5 days to 9.6 days per employee, due to an increase in long-term absence.

Short-term absence decreased by 20.5%, from 1129 days in 2016–17 to 897.5 days in 2017–18.

Off-Payroll Payments

CCEA made no off-payroll payments during the 2017–18 financial year.

Staff Composition

As at 31 March 2018, the Executive Team was made up of one male Chief Executive and two female Directors.

Of the remaining 300 employees, 169 are female while 131 are male.

The number of staff at each grade is shown below:

| Grade | No. of Staff |
|-------------------------------|--------------|
| Clerical Officer | 40 |
| Senior Clerical Officer | 8 |
| Executive Officer | 54 |
| Senior Executive Officer | 44 |
| Higher Executive Officer | 46 |
| Senior Administrative Officer | 17 |
| Senior Professional Grade | 66 |
| Programme Manager | 11 |
| Principal Officer | 7 |
| Business Manager | 7 |
| Director | 2 |
| Chief Executive | 1 |

Consultancy Costs

We did not incur any consultancy costs in the financial year 2017–18.

Equality Statement

CCEA, in carrying out its functions, has a statutory responsibility 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;
- between men and women generally;
- between persons with disability and persons without; and
- between persons with dependants and persons without.

In addition, without prejudice to the above obligation, CCEA should also, in carrying out its functions, promote good relations between persons of different religious belief, political opinion or racial group.

Equal Employment Policy

We aim to make the best possible use of our resources, especially our staff. We recruit and promote candidates based on merit. We comply with all relevant legislation and guidance on fair employment and equal opportunities, and we aim to meet the legislative and other requirements in respect of employees with disabilities. In line with legal requirements, we do everything that is reasonably within our control to ensure the health, safety and welfare of all our employees.

Reporting of compensation and exit packages for all staff 2017–18

| Exit package cost band | No of compulsory redundancies* | No of other departures agreed* | Total no of exit packages by cost band* |
|-------------------------------|--------------------------------|--------------------------------|---|
| <£10,000 | 0 (0) | 0 (1) | 0 (1) |
| £10,000–£25,000 | 0 (0) | 2 (11) | 2 (11) |
| £25,000–£50,000 | 0 (0) | 3 (8) | 3 (8) |
| £50,000–£100,000 | 0 (0) | 1 (11) | 1 (11) |
| £100,000–£150,000 | 0 (0) | 2 (5) | 2 (5) |
| £150,000–£200,000 | 0 (0) | 0 (2) | 0 (2) |
| Total number of exit packages | 0 (0) | 8 (38) | 8 (38) |
| Total resource cost | £Nil (£Nil) | £452,331 (£2,080,415) | £452,331 (£2,080,415) |

*Figures in brackets refer to 2016–17

Redundancy and other departure costs have been paid in accordance with the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2007 as amended. Where CCEA has agreed early retirements and permission is received from the Department of Education, the additional costs are met by CCEA and not by the respective pension schemes (the Northern Ireland Local Government Officers' Superannuation Committee Scheme and the Northern Ireland Teachers' Pension Scheme) and these payments are included in the cost of the exit packages shown above. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Signed:  Date: 20-6-18

Justin Edwards
Chief Executive

Certificate and Report of the Comptroller and Auditor General

NORTHERN IRELAND COUNCIL FOR THE CURRICULUM, EXAMINATIONS AND ASSESSMENT

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA) for the year ended 31 March 2018 under Schedule 3 of the Education (Northern Ireland) Order 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of CCEA's affairs as at 31 March 2018 and of CCEA's net expenditure for the year then ended; and
- have been properly prepared in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and the Department of Education's directions issued thereunder.

Opinion on regularity

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

Basis of opinions

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

Other Information

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Education's directions made under the Schedule 3 of the Education (Northern Ireland) Order 1998; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Council and Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

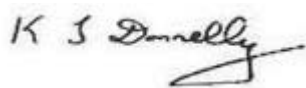
In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities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

Matters on which I report by exception

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

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

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

29 June 2018

03

Financial Statements and Notes

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CCEA is a quality-focused organisation and has been achieving quality standards since 1999. We use these standards and other quality initiatives to improve business processes and drive performance.

”

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

| | Note | 2018 £ | 2017 £ |
|--|------|-------------------|-------------------|
| Expenditure | | | |
| Staff costs | 4 | 15,237,852 | 17,793,218 |
| Other expenditures | 6 | 15,566,480 | 16,095,036 |
| Depreciation | 7 | 362,834 | 393,395 |
| Amortisation | 8 | 35,231 | 46,008 |
| | | <u>31,202,397</u> | <u>34,327,657</u> |
| Income | | | |
| Income from activities | 3 | (10,224,921) | (9,685,756) |
| | | <u>20,977,476</u> | <u>24,641,901</u> |
| Net expenditure | | | |
| Other finance costs | 9 | 268,000 | 171,000 |
| | | <u>21,245,476</u> | <u>24,812,901</u> |
| NET EXPENDITURE AFTER INTEREST (transferred to general reserve) | | | |
| | 18 | <u>21,245,476</u> | <u>24,812,901</u> |

Statement of Other Comprehensive Expenditure

| | Note | 2018 £ | 2017 £ |
|---|-----------|-------------------|-------------------|
| NET EXPENDITURE AFTER INTEREST (transferred to general reserve) | | | |
| | | <u>21,245,476</u> | <u>24,812,901</u> |
| Net gain on revaluation of property, plant and equipment (in Revaluation reserve) | 7 & 17 | (10,005) | (20,922) |
| Net gain on revaluation of intangibles (in Revaluation reserve) | 8 & 17 | (1,220) | (4,322) |
| Actuarial (gain)/loss in respect of pension liability | 5.1c & 18 | (1,147,012) | 5,433,003 |
| | | <u>20,087,239</u> | <u>30,220,660</u> |
| TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2018 | | | |
| | | <u>20,087,239</u> | <u>30,220,660</u> |

All amounts above relate to continuing activities.

The notes on pages 75 to 93 form part of these financial statements.

Statement of Financial Position at 31 March 2018

| | Note | 2018 £ | 2017 £ |
|---|------|---------------------|--------------|
| Non-current assets | | | |
| Property, plant and equipment | 7 | 912,364 | 1,016,678 |
| Intangible assets | 8 | 33,491 | 67,502 |
| Total non-current assets | | 945,855 | 1,084,180 |
| Current assets | | | |
| Inventories | 10 | 3,947 | 4,811 |
| Trade and other receivables | 11 | 2,103,984 | 1,970,084 |
| Cash and cash equivalents | 12 | 681,904 | 322,722 |
| Total current assets | | 2,789,835 | 2,297,617 |
| Total assets | | 3,735,690 | 3,381,797 |
| Current liabilities | | | |
| Trade and other payables | 13 | (2,746,016) | (3,018,682) |
| Total current liabilities | | (2,746,016) | (3,018,682) |
| Non-current assets plus net current assets | | 989,674 | 363,115 |
| Non-current liabilities | | | |
| Provisions | 14 | (726,000) | (734,000) |
| Pension liabilities | 5.1c | (11,123,760) | (10,929,681) |
| Total non-current liabilities | | (11,849,760) | (11,663,681) |
| Net liabilities | | (10,860,086) | (11,300,566) |
| Taxpayers' equity | | | |
| Revaluation reserve | 17 | (39,088) | (50,317) |
| General reserve | 18 | (10,820,998) | (11,250,249) |
| Total taxpayers' equity | | (10,860,086) | (11,300,566) |

The financial statements on pages 71 to 74 were approved by the Council on 20 June 2018 and were signed on its behalf by:

Trevor Carson  Date 20/6/18
 Chairperson

Justin Edwards  Date 20.6.18
 Chief Executive

The notes on pages 75 to 93 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|---|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net expenditure after interest | | (21,245,476) | (24,812,901) |
| Adjusted for: | | | |
| Depreciation | 7 | 362,834 | 393,395 |
| Amortisation | 8 | 35,231 | 46,008 |
| Bad debt provision | 11 | 321 | (501) |
| Bad debts written off | | 9 | 3 |
| IAS 19 pension costs* | 5.1d | 1,333,085 | 81,031 |
| Decrease/(Increase) in inventories | 10 | 865 | (2,095) |
| (Increase) in trade and other receivables | 11 | (134,225) | (276,097) |
| (Decrease) in trade and other payables | 13 | (272,666) | (1,093) |
| Net cash outflow from operating activities | | (19,920,023) | (24,572,250) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 7 | (248,510) | (173,218) |
| Purchase of intangible assets | 8 | - | (12,175) |
| Net outflow from investing activities | | (248,510) | (185,393) |
| Cash flows from financing activities | | | |
| Recurrent grants received | 16 | 20,395,962 | 24,345,164 |
| Capital grants received | 16 | 131,753 | 390,118 |
| Net inflow from financing activities | | 20,527,715 | 24,735,282 |
| Net increase/(decrease) in cash and cash equivalents in the year | | 359,182 | (22,361) |
| Cash and cash equivalents at 1 April 2017 | 12 | 322,722 | 345,083 |
| Cash and cash equivalents at 31 March 2018 | 12 | 681,904 | 322,722 |

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

The notes on pages 75 to 93 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

Year ended 31 March 2018

| | Note(s) | General Reserve £ | Revaluation Reserve £ | Total Taxpayers' equity £ |
|--|---------|----------------------|--------------------------|------------------------------|
| Balance at 31 March 2016 | | (5,739,621) | (75,559) | (5,815,180) |
| Changes in taxpayers' equity 2016–17 | | | | |
| Deficit for year from statement of comprehensive net expenditure | 18 | (24,812,901) | 25,242 | (24,787,659) |
| Actuarial loss in respect of pension liability | | (5,433,009) | - | (5,433,009) |
| Recurrent funding | 18 | 24,345,164 | - | 24,345,164 |
| Capital funding | 18 | 390,118 | - | 390,118 |
| Balance at 31 March 2017 | | (11,250,249) | (50,317) | (11,300,566) |
| Changes in taxpayers' equity 2017–18 | | | | |
| Deficit for year from statement of comprehensive net expenditure | 18 | (21,245,476) | 11,229 | (21,234,247) |
| Actuarial loss in respect of pension liability | | 1,147,012 | - | 1,147,012 |
| Recurrent funding | 18 | 20,395,962 | - | 20,395,962 |
| Capital funding | 18 | 131,753 | - | 131,753 |
| Balance at 31 March 2018 | | (10,820,998) | (39,088) | (10,860,086) |

The notes on pages 75 to 93 form part of these financial statements.

Notes to the Financial Statements

Year ended 31 March 2018

1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the *2017–18 Government Financial Reporting Manual (FReM)* issued by Treasury as directed by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Council for the Curriculum, Examinations and Assessment (CCEA) for the purpose of giving a true and fair view has been selected. The particular accounting policies that have been adopted in the preparation of these financial statements are detailed below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In accordance with the FReM, the Council is not able to accrue grants in aid funding due from the Department of Education to match current liabilities recorded within the statement of financial position. Under International Accounting Standard (IAS) 1 (revised), Presentation of Financial Statements, such a closing financial position which shows a surplus of liabilities over assets requires the Accounting Officer to make an assessment of the viability of the Council as a going concern. However, no material uncertainties affecting the Council's ability to continue as a going concern have been assessed and these financial statements have therefore been prepared under the going concern principle.

1.1 Accounting Convention

These financial statements have been prepared under the historical cost convention, modified by the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in the FReM. Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies Act 2006, accounting standards issued or adopted by the International Accounting Standards Board and the accounting and disclosure requirements issued by DoF in so far as those requirements are appropriate. These financial statements have been prepared in pounds sterling.

1.2 Recognition of Income and Funding

1.2.1 Government Grants

The main source of funding for CCEA is allocations (grants in aid) from the Department of Education (DE). All grants in aid, whether for revenue or capital purposes, are treated as contributions from controlling parties, giving rise to a financial interest in the residual interest of CCEA, and are credited to the general reserve. The grant in aid is recognised in the financial year in which the cash is received.

1.2.2 Revenue Grants

Grants for revenue purposes that are received to finance the purchase of specific goods or services are shown as income in the statement of comprehensive net expenditure. In these cases income is set to match with the related expenditure incurred during the year. CCEA did not receive any revenue grants in the financial year.

1.2.3 Examination Fee Income

Examination fee income is recorded in the statement of comprehensive net expenditure in the financial year in which the examination takes place.

1.3 Property, Plant and Equipment

Items of property, plant and equipment which are held for use on a continuing basis in delivering the reporting entity's activities, and which yield a benefit for a period of more than one year, are capitalised at their cost of acquisition and installation. The level for capitalisation as an individual item of property, plant and equipment has been applied for the current year at £3,000. CCEA has considered the valuation requirements of IAS 16 and deemed annual indexation the most appropriate valuation method. All tangible assets are valued using the most appropriate indices from the Office for National Statistics.

CCEA does not own any land or buildings.

1.4 Intangible Assets

Intangible assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by CCEA through custody or legal rights. Intangible fixed assets are capitalised and stated in the statement of financial position at fair value (amortised cost less any accumulated impairment losses). The level for capitalisation as an individual intangible asset has been applied for the current year at £3,000. CCEA has considered the valuation requirements of IAS 16 and deemed annual indexation the most appropriate valuation method. All intangible assets are valued using the most appropriate indices from the Office for National Statistics.

1.5 Depreciation

Depreciation is provided on all property, plant and equipment from the month they are brought into service. In order to write off the value, less estimated residual value of each asset, items of property, plant and equipment are depreciated on a straight line basis over their expected useful lives or lease period if shorter.

Lives of assets, which are reviewed regularly, are as follows:

Computer hardware - 3 years

Computer software - 3 years

Vehicles - vans - 5 years

Office furniture and equipment - 7/10 years

Plant and machinery - 15 years

1.6 Amortisation

Amortisation is provided on software licences from the month they are brought into service. In order to write off the value, less estimated residual value of each asset, software licences are amortised on a straight line basis over their expected useful lives. In line with the computer software to which they relate, software licences are deemed to have useful lives of 3 years.

1.7 Finance and Operating Leases

Leases are classified as either a finance lease or an operating lease depending on the substance of the agreement. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets, and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations, and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets. CCEA does not have any lease agreements that are classified as a finance lease.

An operating lease is a lease other than a finance lease. Rental payments in respect of assets held under operating leases are charged to the statement of comprehensive net expenditure as incurred. Commitments under operating leases are shown in Note 15 to the financial statements.

1.8 Inventories

Inventories are stated at fair value, which is the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

1.9 Work in Progress

Work in progress represents the estimated cost of work commenced, but not invoiced, in respect of projects being undertaken by the Multimedia Unit.

1.10 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. This is applicable to both short term and long term benefits.

1.11 Pensions

CCEA has considered the impact of IAS 19R to be immaterial to the Annual Report and Accounts and have not adjusted the pension disclosure in Note 5. CCEA participates in the following three pension schemes:

1.11.1 The Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is an unfunded contributory scheme administered by the Department of Education (DE). The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme. The scheme is presently notionally funded.

The rate of the employer's contribution is determined every 4 years by the Government actuary and advised by DoF. The TSS is a multi-employer scheme, and CCEA is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TSS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is administered by DE, Rathgael House, Balloo Road, Bangor.

1.11.2 The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

The Northern Ireland Local Government Officers' Superannuation Committee Scheme is of the defined benefits type, the assets of the scheme being held in separate trustee administered funds. CCEA's contribution to NILGOSC scheme is determined by the fund's actuary based on a triennial valuation. The scheme is administered by NILGOSC, Hollywood Road, Belfast.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which CCEA benefits from the employee's services. Variations from regular cost are spread over the expected average remaining working lives of members of the scheme after making allowances for future withdrawals.

The difference between the fair value of the assets held in CCEA's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in CCEA's statement of financial position as a pension scheme asset or liability as appropriate.

In accordance with IAS 19 'Employee Benefits', the in year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by CCEA is charged to the statement of comprehensive net expenditure or the statement of changes in taxpayers' equity.

1.11.3 The National Employment Savings Trust (NEST)

The National Employment Savings Trust is run by NEST Corporation, which is a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP). It's a trust-based scheme, run independently from the government on a not-for-profit basis in the interests of its members.

NEST Corporation has a Chair and up to 14 Trustee Members. The Trustee Members take decisions based on established trust law principles including the duty to act in the interests of scheme members. They set the strategic direction and objectives for NEST and determine the overall governance structure for NEST Corporation. The Trustee Members are supported by an executive team that has day-to-day responsibility for managing the scheme. The Trustee Members' primary role is to decide, implement and support NEST's strategic direction in order to maximise value for scheme members and beneficiaries.

NEST is a defined contribution pension scheme established by law to support the introduction of automatic enrolment, which meets the criteria for a 'qualifying' scheme as set out in the Pensions Act 2008.

Minimum contribution levels are set by legislation and are to increase in 2018 and 2019 as part of a phased timetable. NEST was set up specifically to meet the need of employers to deliver pensions auto-enrolment for their employees and can be used by employers in all sectors regardless of the size or profile of their workforce.

1.12 Taxation

CCEA is an eligible body for the purposes of education and any provision of education by CCEA is exempt from VAT. A small part of the activities of CCEA, mainly those associated with the Multimedia Unit, falls within the scope of VAT. With the exception of expenditure directly related to these activities, VAT is not reclaimable by CCEA and so, in these cases, expenditure in the financial statements is inclusive of VAT.

CCEA was established by legislation as a 'body corporate' and is therefore fully within the Corporation Tax provisions. CCEA is registered with HMRC for Corporation Tax purposes.

1.13 Provisions

Provisions are recognised when CCEA has a present obligation as a result of a past event, it is probable that CCEA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.14 Foreign Currency Transactions

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the statement of comprehensive net expenditure in the period in which they arise.

1.15 Early Departure Costs

Although the Local Government (Compensation for Premature Retirement) Regulations (Northern Ireland) 1983 do not apply to CCEA, these regulations have been agreed with the recognised trade union as an acceptable basis to allow CCEA to have the discretion to make provision for premature retirement of officers who cease to hold their employment by reason of redundancy or in the efficient discharge of their employee's functions.

Lump sum payments (if any) during the year, and a statement of continuing liability, are disclosed in Note 5 to the financial statements. The accounting practice is to provide for the full cost of early departure of employees in the statement of comprehensive net expenditure based on actuarial tables.

1.16 Reserves

The General Reserve balance represents the total assets less total liabilities of CCEA to the extent that the total is not represented by the Revaluation Reserve.

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

1.17 New Accounting Standards

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

2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

CCEA's financial performance is organised and managed at directorate level – Chief Executive Office, Finance and Corporate Services, and Education. The chief operating decision maker in CCEA is the Chief Executive supported by the Director of Education and the Director of Finance and Corporate Services collectively known as the Executive Team (see Remuneration Report on page 60). Monthly financial reports detailing directorate revenue, expenditure and capital expenditure against budget are provided to the Executive Team and budget holders. Information on directorate assets and liabilities is not separately identified. CCEA's Executive Team previously consisted of the Chief Executive and four Directors. As planned, during 2017–18, CCEA reorganised a number of areas of its business. As part of that reorganisation CCEA reduced the number of directorates from 5 to 3.

Chief Executive

This directorate consists of the administrative support for the Chief Executive's Office and Council and the independent regulatory functions.

Finance and Corporate Services

In support of all CCEA's activities, this directorate provides independent advice and management in Finance, ICT, Multimedia, Human Resources, Marketing & Communications, Facilities Management and Business Assurance.

Education

CCEA provides examinations for GCE subjects and GCSE subjects, Key Skills, Essential Skills, Occupational Skills and a range of other vocational qualifications. CCEA also researches and trials policy on behalf of DE and provides support material for curriculum implementation. This directorate is also currently responsible for the development and implementation of the assessment and reporting arrangements for ages 4 to 14.

CCEA's financial position at the year ended 31 March 2018 is analysed as follows:

| | Chief Executive £(000s) | Education £(000s) | Finance & Corporate Services £(000s) | Total £(000s) |
|--------------------------------|----------------------------|----------------------|---|------------------|
| Expenditure | 2,058 | 18,747 | 10,665 | 31,470 |
| Income | (654) | (9,439) | (132) | (10,225) |
| Net expenditure after interest | 1,404 | 9,308 | 10,533 | 21,245 |

3 INCOME

| | 2018 | 2017 |
|--|-------------------|------------------|
| INCOME FROM ACTIVITIES | £ | £ |
| Research and development | 28,111 | 189,408 |
| Examination fees | 9,381,633 | 8,914,461 |
| Other activities | 815,177 | 581,887 |
| Income from activities is shown net of Value Added Tax (VAT) | <u>10,224,921</u> | <u>9,685,756</u> |

4 STAFF COSTS

Staff Costs comprise:

| | Permanent staff/FTC* | Temporary staff | Total | Total |
|-------------------------------------|-------------------------|-----------------|-------------------|-------------------|
| | 2018 | 2018 | 2018 | 2017 |
| | £ | £ | £ | £ |
| Wages and salaries | 9,986,467 | 715,100 | 10,701,567 | 12,417,444 |
| Social Security costs | 1,044,449 | 33,253 | 1,077,702 | 1,224,182 |
| Pension costs | 2,992,270 | - | 2,992,270 | 2,071,613 |
| Reorganisation and Redundancy costs | 466,313 | - | 466,313 | 2,079,979 |
| TOTAL | <u>14,489,499</u> | <u>748,353</u> | <u>15,237,852</u> | <u>17,793,218</u> |

* Fixed Term Contract

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

5 PENSION COMMITMENTS

5.1 a) Teachers' Superannuation Scheme

44 employees of CCEA are members of the Teachers' Superannuation Scheme, which is a contributory scheme administered by the Department of Education (DE). The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government Actuary and advised by the Department of Finance (DoF).

DE operate a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2017–18 are as follows:

| Band | Actual Annual Pensionable Earnings (£) | Contribution Rates |
|------|--|--------------------|
| 1 | up to 26,259.99 | 7.4% |
| 2 | 26,260–35,349.99 | 8.6% |
| 3 | 35,350–41,914.99 | 9.6% |
| 4 | 41,915–55,549.99 | 10.2% |
| 5 | 55,550–75,749.99 | 11.3% |
| 6 | 75,750 and above | 11.7% |

In 2017–18, the employer's contribution rate was 17.7%, (17.7% in 2016–17)

| Contributions for the year: | 2018 £ | 2017 £ |
|-----------------------------|----------------|----------------|
| Employer's | 408,513 | 492,151 |
| Employees' | 235,214 | 283,580 |
| Total | <u>643,727</u> | <u>775,731</u> |

b) Northern Ireland Local Government Officers' Superannuation Committee Scheme

CCEA participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for 245 of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent, professionally qualified actuary on the basis of regular valuations using the projected unit method. The results of the most recent valuation, which was conducted at 31 March 2016, were as follows:

| | |
|--|----------------|
| Main assumptions – | |
| Rate of return on investments per annum | 5.2% |
| Rate of general increase in salaries per annum | 3.5% |
| Rate of pension increases per annum | 2.0% |
| Market value of scheme's assets | £5.820 billion |
| Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, deferred pensioners and members based on past service and after allowing for future salary increase | 91% |

NILGOSC operate a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2017–18 are as follows:

| Band | Pensionable pay (£) | Contribution rates |
|-------------|----------------------------|---------------------------|
| 1 | 0–14,000 | 5.5% |
| 2 | 14,101–21,500 | 5.8% |
| 3 | 21,501–35,900 | 6.5% |
| 4 | 35,901–43,400 | 6.8% |
| 5 | 43,401–85,800 | 8.5% |
| 6 | more than 85,800 | 10.5% |

In 2017–18, the employer's contribution rate was 18% plus a fixed deficit recovery contribution, (20% in 2016–2017).

Contributions for the year:

| | 2018 | 2017 |
|------------|-------------------------|------------------|
| | £ | £ |
| Employer's | 1,465,570 | 1,627,042 |
| Employees' | 500,168 | 549,779 |
| Total | <u>1,965,738</u> | <u>2,176,821</u> |

c) The amounts recognised in the statement of financial position are as follows:

| | 2018 | 2017 |
|---|------------------------|-----------------|
| | £(000s) | £(000s) |
| Present value of funded liabilities | (67,217) | (63,254) |
| Fair value of plan assets | 56,091 | 52,324 |
| Net underfunding in funded plans | (11,126) | (10,930) |
| Present value of unfunded obligations (Note 14) | (726) | (734) |
| Net liability – total non-current liability | <u>(11,852)</u> | <u>(11,664)</u> |
| Amounts in the statement of financial position | | |
| Liabilities | (11,852) | (11,664) |
| Asset | - | - |
| Net liability | <u>(11,852)</u> | <u>(11,664)</u> |

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

| | 2018 | 2017 |
|------------------------------------|----------------|---------|
| | £(000s) | £(000s) |
| Opening defined benefit obligation | 63,987 | 48,296 |
| Current service cost | 2,341 | 1,818 |
| Past service (gain)/cost | 234 | (237) |
| Interest cost | 1,658 | 1,682 |
| Contributions by members | 502 | 547 |
| Actuarial gains/(losses) | 255 | 12,910 |
| Estimated unfunded benefits paid | (43) | (43) |
| Estimated benefits paid | (991) | (986) |
| Closing defined benefit obligation | 67,943 | 63,987 |

Changes in the fair value of plan assets are as follows:

| | 2018 | 2017 |
|---|----------------|---------|
| | £(000s) | £(000s) |
| Opening fair value of employer assets | 52,322 | 42,143 |
| Expected return on assets | 1,390 | 1,511 |
| Contributions by members | 501 | 547 |
| Contributions by employer | 1,466 | 1,627 |
| Contributions in respect of unfunded benefits | 44 | 44 |
| Actuarial gains/(losses) | 1,402 | 7,477 |
| Unfunded benefits paid | (43) | (43) |
| Benefits paid | (991) | (986) |
| | 56,091 | 52,322 |

The major categories of plan assets as a percentage of total plan assets are as follows:

| | 2018 | 2018 | 2018 | 2017 |
|------------|---------------|-----------------|--------------|-------|
| | Quoted | Unquoted | Total | Total |
| Equities | 71.3% | 0.1% | 71.4% | 74.5% |
| Bonds | 12.4% | 0.0% | 12.4% | 11.5% |
| Properties | 0.0% | 10.0% | 10.0% | 10.5% |
| Cash | 4.5% | 0.0% | 4.5% | 2.6% |
| Other | 0.1% | 1.6% | 1.7% | 0.9% |

Principal actuarial assumptions at the statement of financial position date (expressed as weighted averages):

| | 2018 | 2017 |
|-----------------------------------|-------------|------|
| Discount rate | 2.6% | 2.6% |
| Future salary increases | 3.5% | 3.5% |
| Future pension increases | 2.0% | 2.0% |
| Pension accounts revaluation rate | 2.0% | 2.0% |
| RPI Inflation | 3.1% | 3.1% |
| CPI Inflation | 2.0% | 2.0% |

Amounts for the current and previous four periods are as follows:

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------------|----------|----------|----------|----------|
| | £(000s) | £(000s) | £(000s) | £(000s) | £(000s) |
| Fair value of employer assets | 56,091 | 52,324 | 42,143 | 39,735 | 34,125 |
| Present value of defined benefit obligation | (67,217) | (63,254) | (47,639) | (47,975) | (40,211) |
| Deficit | (11,126) | (10,930) | (5,496) | (8,240) | (6,086) |
| Experience adjustments on plan assets | 1,402 | 7,477 | (156) | 3,077 | (61) |
| Experience adjustments on plan liabilities | (256) | 689 | 384 | 221 | 1,331 |
| Actuarial gains/(losses) on employer assets | 1,402 | 7,477 | (156) | 3,077 | (61) |
| Actuarial (losses)/gains on obligation | (255) | (12,910) | 3,602 | (4,781) | 3,675 |
| Actuarial gains/(losses) recognised in statement of changes in taxpayers' equity | 1,147 | (5,433) | 3,446 | (1,704) | 3,614 |

Sensitivity Analysis:

The approximate impact of changing the key assumptions on the present value of the funded defined obligation as at 31 March 2018 and the projected service cost for the year ending 31 March 2019 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

Funded LGPS benefits

Discount rate assumption

| | | |
|---|-------------------|-------------------|
| Adjustment to discount rate | +0.1% p.a. | -1.0% p.a. |
| Present value of total obligation (£M's) | 65.749 | 68.718 |
| % change in present value of total obligation | 2.2% | 2.2% |
| Projected service cost (£M's) | 2.344 | 2.504 |
| Approximate % change in project service cost | -3.2% | 3.3% |

Rate of general increase in salaries

| | | |
|---|-------------------|-------------------|
| Adjustment to salary increase rate | +0.1% p.a. | -1.0% p.a. |
| Present value of total obligation (£M's) | 67.676 | 66.763 |
| % change in present value of total obligation | 0.7% | -0.7% |
| Projected service cost (£M's) | 2.423 | 2.423 |
| Approximate % change in project service cost | 0.0% | 0.0% |

Rate of increase to pensions in payment and deferred pensions assumption

| | | |
|---|-------------------|-------------------|
| Adjustment to pension increase rate | +0.1% p.a. | -1.0% p.a. |
| Present value of total obligation (£M's) | 68.254 | 66.197 |
| % change in present value of total obligation | 1.5% | -1.5% |
| Projected service cost (£M's) | 2.504 | 2.344 |
| Approximate % change in project service cost | 3.3% | -3.2% |

Post retirement mortality assumption

| | | |
|--|----------------|----------------|
| Adjustment to mortality age rating assumption* | -1 year | +1 Year |
| Present value of total obligation (£M's) | 69.177 | 65.263 |
| % change in present value of total obligation | 2.9% | -2.9% |
| Projected service cost (£M's) | 2.509 | 2.337 |
| Approximate % change in project service cost | 3.6% | -3.5% |

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

d The net cost of the NILGOSC scheme recognised in the statement of comprehensive net expenditure is as follows;

| | 2018 | 2017 |
|--|-------------------------|---------------|
| | £ | £ |
| Current service cost | 2,341,000 | 1,818,000 |
| Interest on obligation and Expected return on assets | 268,000 | 171,000 |
| Contributions by employer | (1,465,570) | (1,627,042) |
| Contributions in respect of unfunded benefits | (44,345) | (43,927) |
| Past Service cost/(gain) | 234,000 | (237,000) |
| Loss | <u>1,333,085</u> | <u>81,031</u> |

e National Employment Savings Trust

CCEA participates in the National Employment Savings Trust (NEST) for 247 of its Contracted for Services personnel and Temporary staff. NEST is a defined contribution pension scheme established by law to support the introduction of auto enrolment, which meets the criteria for a 'qualifying' scheme as set out in the Pensions Act 2008.

In 2017–18 the employee contribution rate was 1% (1% in 2016–17) of pensionable pay, and the employer contribution rate was 1% (1% in 2016–17).

Contributions for the year:

| | 2018 | 2017 |
|------------|----------------------|---------------|
| | £ | £ |
| Employer's | 8,093 | 6,988 |
| Employees' | 6,474 | 5,590 |
| | <u>14,567</u> | <u>12,578</u> |

5.2 Early Departure Costs

Lump sum payments during the year relating to early departures amounted to £0 (2017 £0).

Annual costs relating to early departures in previous years that are met by CCEA currently amount to £44,345. These annual costs will continue in line with pension payments and are index linked.

| | 2018 | 2017 |
|---------------------------------------|----------------|---------|
| | £ | £ |
| Provision for liabilities and charges | 726,000 | 734,000 |

Full provision has been made for the best estimate of the expected total liability of CCEA in relation to early departures during previous years.

6 OTHER EXPENDITURES

| | 2018 | 2017 |
|----------------------------|-------------------|-------------------|
| | £ | £ |
| Examiner and teacher costs | 7,121,357 | 7,216,988 |
| Premises and equipment | 2,680,176 | 2,731,679 |
| Supplies and services | 2,879,795 | 3,584,424 |
| Substitute teacher costs | 1,391,067 | 1,318,843 |
| Printing costs | 900,013 | 701,693 |
| Distribution costs | 436,172 | 382,266 |
| Transport and travel costs | 143,898 | 144,257 |
| Council fees and expenses | 14,002 | 14,886 |
| | <u>15,566,480</u> | <u>16,095,036</u> |

7 PROPERTY, PLANT AND EQUIPMENT 2017-18

| | Computer Hardware £ | Computer Software £ | Office Furniture and Equipment £ | Plant and Machinery £ | Vehicles £ | TOTAL £ |
|-------------------------------------|------------------------|------------------------|-------------------------------------|--------------------------|---------------|------------------|
| COST OR VALUATION | | | | | | |
| At 1 April 2017 | 1,408,737 | 139,167 | 1,537,210 | 28,917 | 24,540 | 3,138,571 |
| Indexation | 18,228 | 750 | 3,261 | 621 | 514 | 23,374 |
| Additions | 120,037 | – | 128,473 | – | – | 248,510 |
| Disposals | (8,064) | – | – | – | – | (8,064) |
| At 31 March 2018 | 1,538,938 | 139,917 | 1,668,944 | 29,538 | 25,054 | 3,402,391 |
| ACCUMULATED DEPRECIATION | | | | | | |
| At 1 April 2017 | 1,047,226 | 125,661 | 935,171 | 8,514 | 5,317 | 2,121,889 |
| Indexation | 10,971 | 505 | 1,535 | 198 | 160 | 13,369 |
| Charge for year | 241,343 | 10,366 | 104,417 | 1,746 | 4,962 | 362,834 |
| Depreciation eliminated on disposal | (8,064) | – | – | – | – | (8,064) |
| At 31 March 2018 | 1,291,476 | 136,532 | 1,041,123 | 10,458 | 10,439 | 2,490,028 |
| NET BOOK VALUE | | | | | | |
| At 31 March 2017 | 361,511 | 13,506 | 602,039 | 20,403 | 19,223 | 1,016,678 |
| At 31 March 2018 | 247,462 | 3,385 | 627,821 | 19,080 | 14,615 | 912,363 |

Property, plant and equipment have been re-indexed at 31 March 2018 using the indices from the Office for National Statistics, and the overall gain of £10,005 (2017: gain of £20,922) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2018.

7 PROPERTY, PLANT AND EQUIPMENT 2016–17

| | Computer Hardware | | Computer Software | | Office Furniture and Equipment | | Plant and Machinery | | Vehicles | | TOTAL | |
|-------------------------------------|-------------------|--|-------------------|--|--------------------------------|--|---------------------|--|---------------|--|-------|------------------|
| | £ | | £ | | £ | | £ | | £ | | £ | |
| COST OR VALUATION | | | | | | | | | | | | |
| At 1 April 2016 | 1,541,114 | | 140,943 | | 1,674,096 | | 33,436 | | 23,811 | | | 3,413,401 |
| Indexation | 43,538 | | 2,934 | | (826) | | 416 | | 729 | | | 46,791 |
| Additions | 144,164 | | 5,205 | | 23,849 | | - | | - | | | 173,218 |
| Disposals | (320,079) | | (9,915) | | (159,909) | | (4,935) | | - | | | (494,838) |
| At 31 March 2017 | 1,408,737 | | 139,167 | | 1,537,210 | | 28,917 | | 24,540 | | | 3,138,571 |
| ACCUMULATED DEPRECIATION | | | | | | | | | | | | |
| At 1 April 2016 | 1,080,438 | | 117,139 | | 987,862 | | 11,627 | | 397 | | | 2,197,463 |
| Indexation | 23,697 | | 1,990 | | (94) | | 118 | | 158 | | | 25,869 |
| Charge for year | 263,170 | | 16,447 | | 107,312 | | 1,704 | | 4,762 | | | 393,395 |
| Depreciation eliminated on disposal | (320,079) | | (9,915) | | (159,909) | | (4,935) | | - | | | (494,838) |
| At 31 March 2017 | 1,047,226 | | 125,661 | | 935,171 | | 8,514 | | 5,317 | | | 2,121,889 |
| NET BOOK VALUE | | | | | | | | | | | | |
| At 31 March 2016 | 460,676 | | 23,804 | | 686,234 | | 21,809 | | 23,414 | | | 1,215,937 |
| At 31 March 2017 | 361,511 | | 13,506 | | 602,039 | | 20,403 | | 19,223 | | | 1,016,678 |

Property, plant and equipment have been re-indexed at 31 March 2017 using the indices from the Office for National Statistics, and the overall gain of £20,922 (2016: gain of £6,654) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2017.

8 INTANGIBLE ASSETS 2017–18

| | Software Licences £ |
|-------------------------------------|------------------------|
| COST OR VALUATION | |
| At 1 April 2017 | 355,451 |
| Indexation | 1,993 |
| Additions | – |
| Disposals | – |
| At 31 March 2018 | 357,444 |
| ACCUMULATED AMORTISATION | |
| At 1 April 2017 | 287,949 |
| Indexation | 773 |
| Charge for year | 35,231 |
| Depreciation eliminated on disposal | – |
| At 31 March 2018 | 323,953 |
| NET BOOK VALUE | |
| At 31 March 2017 | 67,502 |
| At 31 March 2018 | 33,491 |

Intangible fixed assets have been reindexed at 31 March 2018 using the indices from the Office for National Statistics and the overall gain of £1,220 (2017: gain of £4,322) after depreciation was transferred to the revaluation reserve. All intangible assets were owned by CCEA at 31 March 2018.

INTANGIBLE ASSETS 2016–17

| | Software Licences £ |
|-------------------------------------|------------------------|
| COST OR VALUATION | |
| At 1 April 2016 | 415,809 |
| Indexation | 7,566 |
| Additions | 12,175 |
| Disposals | (80,099) |
| At 31 March 2017 | 355,451 |
| ACCUMULATED AMORTISATION | |
| At 1 April 2016 | 318,796 |
| Indexation | 3,244 |
| Charge for year | 46,008 |
| Depreciation eliminated on disposal | (80,099) |
| At 31 March 2017 | 287,949 |
| NET BOOK VALUE | |
| At 31 March 2016 | 97,014 |
| At 31 March 2017 | 67,502 |

Intangible fixed assets have been reindexed at 31 March 2017 using the indices from the Office for National Statistics and the overall gain of £4,322 (2016: gain of £284) after depreciation was transferred to the revaluation reserve. All intangible assets were owned by CCEA at 31 March 2017.

| 9 OTHER FINANCE COSTS | | |
|--|----------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Expected loss on NILGOSC pension scheme assets | 268,000 | 171,000 |
| | 268,000 | 171,000 |

| 10 INVENTORIES | | |
|----------------|--------------|--------------|
| | 2018 | 2017 |
| | £ | £ |
| Teaching aids | 3,947 | 4,811 |
| | 3,947 | 4,811 |

| 11 TRADE AND OTHER RECEIVABLES | | |
|------------------------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Trade receivables (see note below) | 54,054 | 518,109 |
| Provision for bad debts | (1,095) | (774) |
| Other receivables | 50,625 | 66,119 |
| Prepayments and accrued income | 2,000,400 | 1,386,630 |
| | 2,103,984 | 1,970,084 |

| ANALYSIS OF TRADE RECEIVABLES | | |
|-------------------------------|---------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Local Government | 50,628 | 387,588 |
| Central Government | 1,002 | 126,394 |
| Intra Government Balances | 51,630 | 513,982 |
| Bodies External to Government | 2,424 | 4,127 |
| | 54,054 | 518,109 |

| 12 CASH AND CASH EQUIVALENTS | | |
|---|----------------|----------------|
| | 2018 | 2017 |
| | £ | £ |
| Balance at 1 April | 322,722 | 345,083 |
| Net change in cash and cash equivalent balances | 359,182 | (22,361) |
| Balance at 31 March 2018 | 681,904 | 322,722 |
| The Following balances at 31 March were held at commercial banks and cash in hand | | |
| | 2018 | 2017 |
| | £ | £ |
| Cash and cash equivalents as in the statement of financial position | 681,904 | 322,722 |

| 13 TRADE AND OTHER PAYABLES | | |
|-------------------------------------|------------------|------------------|
| | 2018 | 2017 |
| | £ | £ |
| Amount falling due within one year: | | |
| Trade payables (see analysis below) | 21,977 | 180 |
| Taxes and social security | 314,441 | – |
| Other payables | 123,670 | 139,384 |
| VAT | 8,761 | 11,003 |
| Accruals and deferred income | 2,277,167 | 2,868,115 |
| TOTAL | 2,746,016 | 3,018,682 |

| ANALYSIS OF TRADE PAYABLES | | |
|----------------------------------|---------------|------------|
| | 2018 | 2017 |
| | £ | £ |
| Central Government Bodies | - | - |
| Local Government Bodies | 690 | - |
| Intra Government Balances | 690 | - |
| Bodies External to Government | 21,287 | 180 |
| TOTAL | 21,977 | 180 |

| 14 PROVISIONS | |
|--|---|
| | Unfunded pension liability provision £ |
| Balance at 1 April 2017 | 734,000 |
| Provided in the year | – |
| Provisions not required written back | – |
| Provisions utilised in the year | (8,000) |
| Balance at 31 March 2018 | 726,000 |
| Analysis of expected timing of discounted flows: | |
| Later than 1 year and not after 5 years | 80,667 |
| Later than 5 years and not after 10 years | 282,333 |
| Later than 10 years | 363,000 |
| Total | 726,000 |

Unfunded pension liability provision

Full provision has been made for the total liability of CCEA in relation to early departures during the current year and previous years as calculated by the actuaries of the plan, AON Hewitt Limited. Annual costs relating to early departures are offset against fluctuations in the pension liability.

15 LEASE COMMITMENTS

OPERATING LEASES

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

| | 2018 | 2017 |
|---|------------------|------------------|
| | £ | £ |
| Obligations under operating leases for the following periods comprise | | |
| Buildings | | |
| Not later than one year | 1,051,800 | 960,600 |
| Later than one year and not later than five years | 2,302,200 | 3,057,600 |
| Later than five years | – | – |
| | <u>3,354,000</u> | <u>4,018,200</u> |

16 DEPARTMENT OF EDUCATION GRANTS IN AID

| | 2018 | 2017 |
|-------------------------|-------------------|-------------------|
| | £ | £ |
| Recurrent grants in aid | 20,395,962 | 24,345,164 |
| Capital grants in aid | 131,753 | 390,118 |
| | <u>20,527,715</u> | <u>24,735,282</u> |

17 REVALUATION RESERVE

| | 2018 | 2017 |
|-------------------------|-----------------|-----------------|
| | £ | £ |
| At 1 April 2017 | (50,317) | (75,559) |
| Indexation | 11,229 | 25,242 |
| At 31 March 2018 | <u>(39,088)</u> | <u>(50,317)</u> |

18 GENERAL RESERVE

| | 2018 | 2017 |
|-----------------------------------|---------------------|---------------------|
| | £ | £ |
| At 1 April 2017 | (11,250,249) | (5,739,621) |
| Operating cost for the year | (21,245,476) | (24,812,901) |
| Actuarial gain/(loss) | 1,147,012 | (5,433,009) |
| Recurrent grants in aid (Note 16) | 20,395,962 | 24,345,164 |
| Capital grants in aid (Note 16) | 131,753 | 390,118 |
| At 31 March 2018 | <u>(10,820,998)</u> | <u>(11,250,249)</u> |

19 OTHER FINANCIAL COMMITMENTS

CCEA has not entered into any non-cancellable contracts (which are not leases or PFI contracts) for items of property, plant and equipment.

20 RELATED PARTIES

CCEA is a non-departmental public body (NDPB), established by the Education and Libraries (NI) Order 1993, which receives its core funding through grants in aid from DE.

DE is regarded as a related party. During the year, CCEA had a significant number of material transactions with DE and with other entities for which DE is regarded as the parent department, including:

- The Education Authority Northern Ireland
- Schools in Northern Ireland

In addition, CCEA has had a small number of material transactions with other government departments and other central government bodies. Most of these transactions have been with:

- (a) DFE
- (b) Northern Ireland Assembly
- (c) CCMS
- (d) FE Colleges and Universities
- (e) NI Water Limited
- (f) Land & Property Services
- (g) Department of Finance

During the year, none of the board members, members of the key management staff, or other related parties undertook any material transactions with CCEA, other than those disclosed in the Remuneration Report. A register of members' interests is available and can be inspected on application to the Chief Executive's Office.

21 FINANCIAL INSTRUMENTS

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of CCEA are met through grants in aid provided primarily by the Department of Education, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with CCEA's expected purchase and usage requirements and CCEA is therefore exposed to little credit, liquidity or market risk.

Liquidity Risk

CCEA has no borrowings and relies primarily on grants in aid from DE and therefore is not exposed to significant liquidity risks.

Foreign Currency Risk

As CCEA has no material deposits and all of its assets and liabilities are denominated in sterling, there is no exposure to interest rate risk and foreign currency risk.

Interest Rate Risk

CCEA's financial assets and liabilities carry nil or fixed rates of interest. CCEA is not therefore exposed to significant interest rate risk.

Credit Risk

As the majority of CCEA's income comes from contracts with other Public Sector bodies, CCEA has low exposure to credit risk.

22 DATE AUTHORISED FOR ISSUE

The Council's Accounts were approved on the 20 June 2018 by the Chairperson and Chief Executive and authorised for issue on the 06 July 2018

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