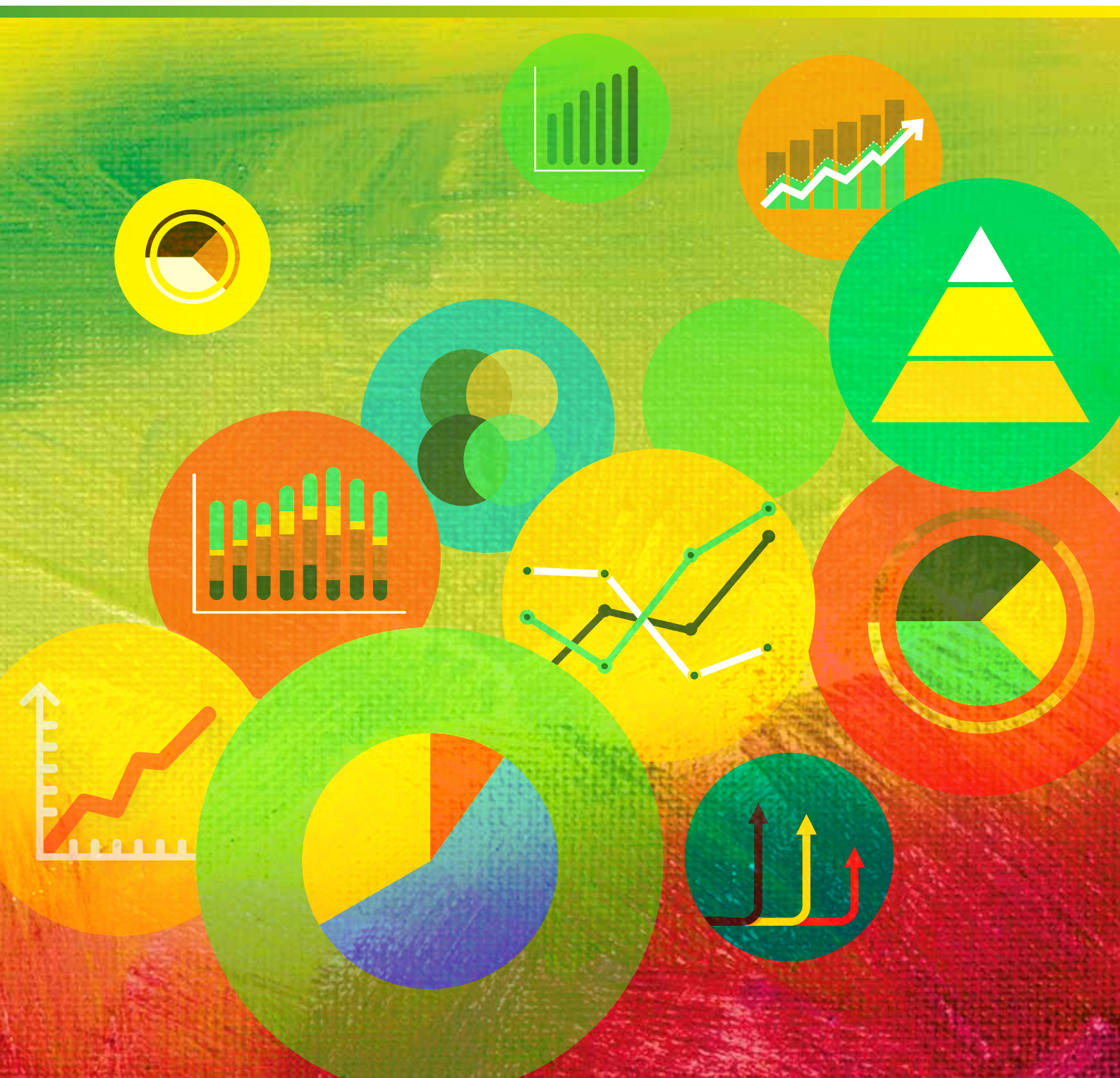


CCEA Annual Report 2018–19



Northern Ireland Council
for the Curriculum,
Examinations and Assessment

**Annual Report and Accounts
for the Year Ended 31 March 2019**

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 5 July 2019

© Northern Ireland Council for the Curriculum, Examinations and Assessment (NICCEA) Copyright 2019.

The text of this document (excluding logos), may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as CCEA copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

This document/publication is also available on our website at www.ccea.org.uk

Any enquiries related to this publication should be sent to us at:

Financial Services,
Northern Ireland Council for the Curriculum,
Examinations and Assessment,
29 Clarendon Road,
Clarendon Dock,
Belfast,
BT1 3BG.

Telephone: +44 (0) 28 9026 1200
Email: info@ccea.org.uk

Contents

01

Performance Report

Performance Review

Chief Executive's Foreword	7
About CCEA	9
Key Issues and Risks	11
Performance Analysis	
Financial Report 2018–19	12
Key Themes	15
Looking Forward	21
Strategic Framework and Strategy Map	24
Review of Performance in 2018–19	26
Sustainability Report	31
Corporate Social Responsibility	39

02

Accountability Report

Non-Executive Directors' Report	43
Our Council	45
Statement of Accounting Officer's Responsibilities	46
Annual Governance Statement	47
Remuneration Report	59
Staff Report	65
Assembly Accountability and Audit Report	68
Certificate and Report of the Comptroller and Auditor General	69

03

Financial Statements and Notes

Statement of Comprehensive Net Expenditure	73
Statement of Other Comprehensive Net Expenditure	73
Statement of Financial Position	74
Statement of Cash Flows	75
Statement of Changes in Taxpayers' Equity	76
Notes to the Financial Statements	77

01 Performance Report



Chief Executive's Foreword



CCEA plays a fundamental role in providing advice and guidance on the curriculum and the safe delivery of hundreds of thousands of examinations in Northern Ireland each year. This document summarises how we have sought to achieve our strategic and statutory objectives over the reporting period.

The Northern Ireland Curriculum, introduced in 2007, is the foundation of education. It describes what should be taught in schools and is central to defining what should be assessed in schools. When it was introduced it sought to increase the delivery of skills in education, whilst allowing schools the flexibility to deliver a curriculum that was compatible with the ethos of each institution. Since 2007, a great deal has changed worldwide, in particular the rapid evolution and emergence of new technologies and the impact on the skills learners require. Our statutory responsibility is to keep the curriculum under review and so we have embarked on a curriculum monitoring exercise to understand how the curriculum is working and where it might need to change.

We have also worked to produce important resources for schools and other education providers. For example, our Active Citizenship units provide opportunities to inform learners on a range of topics such as paramilitarism, lawfulness and policing. Our work on homelessness awareness empowers young people to take action to prevent homelessness in the future, by providing lessons and activities to support pupils' understanding about the local and broader issues of homelessness in an age-appropriate manner. Teaching young people about controversial issues will help to develop their knowledge, understanding and skills to be able to play an active role in society. Teaching these issues will encourage them both to express their ideas and to participate in the democratic process.

We recognise that qualifications are an essential part of learners' successful journey from education and training into further study and employment, as well as success in life, benefitting the whole of Northern Ireland society. This year marked the final stages of the introduction of our Revised GCSEs, AS and A levels. We have delivered these qualifications safely and issued results on time. CCEA's revised qualifications are more rigorous and ensure that the specifications remain relevant and valid for emerging economic opportunities. Our qualifications provide unique opportunities to the learners of Northern Ireland, with specialist A level qualifications such as Software Systems Development, Professional Business Services and Moving Image Arts growing in popularity with learners.

We have conducted extensive communication and public engagement to help students, parents, teachers and employers understand qualification changes, including the new A* to G GCSE grades. We will continue to evaluate these revised qualifications, making any adjustments that may be required.

Across all our work, we will continue to make sure the system is as fair as it can be for all students. The strong relationships we have forged with schools, colleges, teacher unions and other stakeholders will remain critical in achieving this. During this year, we have collaborated with organisations such as the Department of Justice, NICCY (Northern Ireland Commissioner for Children and Young People) and the Department for Communities to

raise awareness through teaching resources on everyday twenty-first century issues. Collaborating with Queen's University Belfast, for example, provided CCEA with the opportunity to develop a Python coding resource for learners aged 11 to 14. These successful partnerships demonstrate the huge benefits for all involved with tangible outputs in areas such as digital skills development.

CCEA also maintains the role of regulating qualifications in Northern Ireland. We take a risk-based approach to regulation to ensure that our resources are targeted effectively. We have a particular focus on what threatens qualification standards and their validity, which are both essential for public confidence. We recognise the importance of providing clear guidance and support to the awarding organisations we regulate to ensure they understand how to meet our requirements.

Changes in England relating to the development of T Level programmes (including technical qualifications) and new apprenticeship standards will also have an impact on Northern Ireland. We are committed to working with the Department for the Economy to develop and deliver technical qualifications that meet the needs of learners and employers. We are considering all the options for how we might best support the development of a sustainable qualifications market.

CCEA has achieved its strategic priorities in a time of severe financial constraint. We have had to withdraw some smaller qualifications from the market, such as the provision of Essential Skills and 10 other professional qualifications. Whilst rationalisation has been a necessity, we have ensured that suitable alternatives remain.

We have also continued to modernise our approach. For example:

- we now mark over 80% of examination papers online;
- we are piloting computer adaptive assessment technology that could reduce the assessment burden on learners and teachers; and
- we have introduced digital audio technology in the assessment of speaking examinations in languages.

As part of a vibrant education system, CCEA continues to reshape how all learning is rewarded and recognised. With qualification reforms, our curriculum monitoring and continued modernisation, we have the opportunity to develop world-class curriculum, examinations and assessment.

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 the learner at the centre of everything we do. We think about what learners need for life and work and then build solutions to meet those needs. We do this for all levels of education from Foundation Stage and Early Years to A level and beyond.

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 to deliver 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 the Department of Education and Department for the Economy, accrediting a range of qualifications for use in Northern Ireland.

CCEA is organised into three broad areas:

- the Chief Executive's Office;
- the Education Directorate; and
- the Finance and Corporate Services Directorate.

Each area has discrete business units that are subdivided into operational teams.

During 2018–19 we employed 337 staff. We also contracted approximately 5,500 practising teachers as examiners, moderators and markers. We also support schools to engage over 2,000 invigilators.

For 25 years, we have used a range of quality models to deliver better services for our customers. We are the only organisation in the Northern Ireland public sector to receive accreditation to ISO 9001 continuously for 18 years and have won the Northern Ireland Quality Award, the UK Business Excellence Award and the European Quality Award. We have direct and indirect customers. Our most obvious direct customers are schools, further education colleges, and the teachers and lecturers who work in them. DE and the Department for the Economy (DfE) 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 and employers. We consider their views through consultation and engagement as we conduct our work.



Key Issues and Risks

In the year ahead, CCEA's key challenges and risks are:

- continued financial pressures;
- potential consequences of education policy devolution;
- managing the potential challenges to qualifications that may arise from the UK leaving the European Union; and
- the sustained absence of the Northern Ireland Executive.

Navigating continued financial pressure

The wider public sector, particularly education, continues to face sustained financial pressures. CCEA has mitigated the impact of these pressures by implementing four rounds of voluntary exit, with 74 staff released over the past 48 months. We have also made efficiencies through digital modernisation in the examinations operations and the provision of webinars. In 2019–20, further mitigations and reorganisation may be required to ensure that we continue to deliver a high quality and secure service for all CCEA users.

Devolution of policy and ensuring understanding of these changes

Since 2015, there has been a period of qualification change and reform across the three jurisdictions in England, Northern Ireland and Wales. These changes have led to a divergence in qualifications policy, which includes the grading of GCSEs. We will continue to work with key stakeholders to improve understanding of the grade changes to maintain public confidence in all qualifications.

Maintaining operations amid political uncertainty

In 2019–20 the outworking of the UK's withdrawal from the European Union will begin to become apparent. At the time of writing, the context and shape of the UK's withdrawal has still to be agreed. Like many organisations within education and beyond, CCEA has assessed the potential impacts on our business and tested contingencies. We will review these as further information becomes available on the UK withdrawal from the EU.

We also continue to operate within an uncertain political environment. The ongoing impasse continues to pose challenges in managing and mitigating the potential effects of qualifications, curriculum and policy divergence. As part of our statutory duty, we will continue to monitor and review areas such as the Northern Ireland Curriculum, to ensure that we are prepared for future changes.



Financial Report 2018–19

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) 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 2019 shows net liabilities of £9.2m. 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 2018–19

Income from activities increased from £10.2m in 2017–18 to £10.4m in 2018–19, which continued to fund approximately one third of CCEA's budget.

Total operating expenditure increased from £31.2m in 2017–18, to £32.7m in 2018–19 as a result of the introduction of a provision to cover estimated increased pension costs, see Note 14.

CCEA's capital spend for the financial year more than doubled to £0.52m from £0.25m due to more investment in IT infrastructure and software.

Long term Expenditure Trends

CCEA begins its annual planning process for the following financial year in October. The process includes reviewing historic spend profiles, market trends, known business plan priorities, estimated examination entries and school demographics. It also involves engaging with budget holders in relation to their planned work programme and operational objectives. Draft funding requirements are presented to Finance Committee and Council in December, alongside potential grant funding scenarios, pay and non-pay cost pressures and potential savings plans to mitigate any cost pressures. In recent years the savings plans have included conducting a number of rounds of voluntary severance. They have also involved scaling back and ceasing some of CCEA's modernisation and development activities. The draft savings plan is further refined between January and March, before CCEA is formally allocated its budget for the year.

CCEA's initial core grant allocation for 2018–19 was flat compared to the allocation for 2017–18. This required CCEA initially to manage almost £700k in pay and non-pay pressures. A significant portion was managed through conducting a further voluntary severance exercise and savings from restructuring. The bulk of the remaining pressure was offset by scaling back on modernisation activities.

Other Disclosures

Charitable Donations

CCEA made no charitable donations from its own funds during 2018–19.

Independent Auditor

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

The cost of work performed during 2018–19 was as follows:

	£
Audit Services	16,510
Further Assurance Services	-
Tax Services	-
Other Services	1,156
Total	<u>17,666</u>

The fee for audit services relates to the statutory audit of the financial statements. Other services relates to fees for the National Fraud Initiative 2018–19.

Payment to Creditors

In line with DoF guidance, we aim to pay valid bills within 10 days of receipt. During the reporting year, 94% of invoices were paid within 10 days of receipt (95% 2017–18). Full disclosure for 2018–19 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 1.12 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 21: 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 2018–19 financial year, there were no personal data breaches.

Accounting Officer 2018–19

Justin Edwards, Chief Executive, held Accounting Officer responsibilities for CCEA during the 2018–19 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 2018–19

This year, CCEA continued to face the challenges of budgetary pressures while ensuring that we deliver key support services to the highest standard. Over the last 12 months, highlights have included successfully communicating GCSE grading changes in Northern Ireland, continued use of technology to modernise our services and creating award winning teaching resources.

Our mission is to:

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

We place learners and their educational and personal development at the forefront of everything that we do.

The following is a summary of our key achievements and significant pieces of work in 2018–19, reflecting our continued commitment to achieving our mission.

Curriculum Monitoring

Introduced just over 11 years ago, the Northern Ireland Curriculum continues to provide skills-based learning fit for the modern world. This year, as part of our statutory duty to monitor the Curriculum, we launched a Curriculum monitoring exercise. This exercise engaged stakeholders through a questionnaire, face-to-face school and Area Learning Community visits and focus groups to gauge views on the support provision for the Northern Ireland Curriculum. The feedback from this report will help to shape our future Curriculum support and prepare for any subsequent changes to the Curriculum.

Supporting Teachers to Measure Progress and Development

The measurement of a learner's progress and development is an integral part of their educational journey and a key component of teaching and learning. We have continued to develop materials to support teachers in the classroom.

During 2018–19, example projects included:

- developing and piloting computer-adaptive formative assessments for Key Stage 3 Numeracy and Literacy, with 6,665 pupils across 73 schools completing the Numeracy pilot;
- launching CCEA's Q skills software, designed to complement the Q Skills assessment resource, which allows learners' progress to be tracked, measured and reported, enabling teachers to support the individual needs within their classroom; and
- delivering 139 curriculum and assessment support sessions, with over 1,500 teachers attending.

Developing Leading Resources to Enhance Teaching and Learning

This year we continued to provide innovative, leading-edge free curriculum resources. Some of the highlights were:

- launching online resources, in conjunction with Homelessness Awareness Week, to support the cross-department and inter-agency strategy Ending Homelessness Together 2017–2021;
- reviewing resources and materials for Relationships and Sexuality Education (RSE);
- publishing revised pre-school curricular guidance;
- a range of online Active Citizenship resources, developed on behalf of the Department of Justice, which focused on the risks and consequences of anti-social behaviour; and
- resources to support the cross-curricular skills (Thinking Skills and Personal Capabilities) such as Write! Where to start? a creative writing resource, Problem Solving in Mathematics, thinking skills modules for rubrics, feedback, metacognition and thinking frames.

Equipping Learners with World-Class Digital Skills

Digital literacy is an increasingly important aspect of education, life and work. This year, we continued to develop digital support materials and key partnerships. This was part of CCEA's award winning digital skills framework, which aims to improve the computer coding skills of young people in Northern Ireland.

Last June, in partnership with Queen's University Belfast, we developed a new resource to support developing skills in the Python programming language for coding at Key Stage 3 (ages 11–14). The Python Year 10 Resource helps prepare learners to go on to GCSE and A level subjects that include programming.

In November 2018, the Learning Technologies Awards recognised CCEA's digital work. Our innovative STEM in Minecraft resource was awarded gold for Best learning game and Excellence in the design of learning content: public and non-profit sector. The resource is an educational tool that celebrates the best in learning technologies across the world. The resource provides a range of game-based active learning opportunities, making connections both within and beyond for The World Around Us area of learning. It also enables teachers to support pupils infusing digital skills alongside vital thinking skills such as problem solving, creativity, strategic leadership and innovation.

Qualifications Provider of Choice in Northern Ireland

In summer 2018, CCEA's market share of Northern Ireland GCSE and GCE qualifications continued to grow, despite a competitive qualifications market that includes multinational publishers.

Over two years, we have increased our share of the market from 79% to 95% of GCSE entries, and from 76% to 83% of GCE entries.

We are encouraged by this increase in the number of schools choosing CCEA as their awarding organisation. We will continue our commitment to listening to our customers, meeting our learners' needs and delivering the highest quality service possible.

Delivering an Excellent Examinations Service

We contracted over 7,000 staff to support the 2018 summer examinations series. Most of these were practising teachers who helped us to mark and award grades across our range of qualifications.

We are extremely grateful for the dedication and hard work of these professionals. They marked 529,793 examination papers and supported CCEA to issue 226,000 grades to Northern Ireland learners.

Innovative Solutions

Questions for testing and examinations are normally developed by teachers, either in their own school or as part of assessment teams commissioned by CCEA. Although this is a long established and effective way of working, CCEA is seeking to expand the offer of valid and reliable question banks to teachers and schools or colleges, while maintaining standards and reducing the cost of the service.

Technology provides an opportunity to develop questions in a crowd-sourced manner. This would increase available question items for examinations and assessment, potentially increasing the quality of questioning in schools and reducing costs.

In 2018–19, CCEA secured £150,000 funding from the Government's Small Business Research Initiative (SBRI) Fund to commission this project. SBRI enables public sector bodies to connect with technology organisations to stimulate the development of innovative solutions to specific public sector challenges and needs.

Phase 1 of the project, which is now complete, was to show the technical feasibility and commercial viability of the proposed concept.

Using Technology to Improve Customer Experience

This year, we have continued to modernise the services we offer to improve our key customer experience and make savings, where possible.

Highlights included:

- an increase in the number of examination papers marked online, rising from 78% to 81%;
- launching a new CCEA Special Consideration online application, with just under 10,000 special consideration applications processed during the summer 2018 series;
- the Examinations Query Helpline system, which provided real-time analysis of the volumes, types and resolution times of customer queries during the Issue of Results, helping to enhance our customer experience during a busy operational period; and
- E-Results, our online results application, gave schools direct access to their CCEA candidate results, school results data and a new reporting mechanism, reducing our carbon footprint and streamlining the results process, which demonstrates our continued commitment to the environment and developing innovative solutions.

CCEA's website is one of the main interfaces that our customers use on a daily basis, with over 8.3 million visits. User experience is vital. As an increasing number of users are predominately accessing the site through mobile devices, we need to ensure our website and content is refreshed to meet changing technology demands.

The review of our current website started this year, with a wide-reaching consultation with users and stakeholders. This feedback and results will help to inform our refreshed website, which will be launching later in 2019.

Supporting Teachers to Deliver our Revised Qualifications

This year saw the first full award of CCEA's revised GCE qualifications, alongside the first unit examinations of our revised GCSE qualifications.

We continued to deliver CCEA's free support programme, which ensures that teachers have the support they need to deliver the specifications in the classroom.

The 2018–19 support programme included:

- publishing additional support materials for revised GCSEs;
- delivering 155 free support events; 110 were delivered face to face and 45 as webinars; and
- providing 25 EEP (Exemplification of Examination Performance) webinars for the revised GCE A2 units, which provided feedback to schools on the first assessment in summer 2018.

Collaborative Working across Education and Beyond

During 2018–19, we continued to strengthen and develop effective relationships across education and industry.

In November 2018, CCEA hosted a live webinar with the Northern Ireland Commissioner for Children and Young People (NICCY). This enabled primary and post-primary teachers and pupils to learn first-hand about the UNCRC (United Nations Convention on the Rights of the Child) and children's rights.

We continued to collaborate with the Education Authority (EA) to support Shared Education (SE), by launching the online hub in October and developing video case studies of schools delivering SE in curricular contexts.

Partnerships also supported developing curricular resources and activities. These included the Get Cooking Campaign (part of the Growing for the Future resource) and work with the Ulster-Scots Agency to develop The Land of Promise resource.

Communicating the Changes to GCSE Grading in Northern Ireland

Over the last few years, there has been a gradual change to how GCSEs are graded in Northern Ireland. In 2018–19, CCEA Regulation continued its important communication work to ensure that all stakeholders understand the new numerical 9–1 scale that English

Awarding Organisations introduced, as well as the new letter A* to G, with the new C* grade, that CCEA will first award in summer 2019.

Liaising with employers and university admissions offices, as well as organisations such as UCAS, CBI, Business in the Community, local Health Trusts and the Irish Universities Association, about the GCSE grading changes has been an important aspect of this project.

We will continue our targeted communications work as we approach the first award of our new GCSE grades in August 2019 and into next year.

Ensuring Standards of Professional and Technical Qualifications in Northern Ireland

On behalf of the Department for the Economy (DfE), we continue to regulate and monitor the provision of Professional and Technical qualifications that awarding organisations operating here in Northern Ireland provide.

In 2018–19, we monitored 98 awarding organisations for compliance in our role as the Regulator in Northern Ireland.

Rewarding Learning and Celebrating Success

At CCEA, we recognise that success comes in many forms, not only educational attainment but also extra-curricular achievements and overcoming obstacles to reach a goal. In 2018–19, we continued to highlight educational achievement in CCEA examinations and celebrate learners' success.

The CCEA Moving Image Arts Showcase celebrated the best films and animations learners produced at GCSE, AS and A2 level. This year's showcase also marked the fifteenth anniversary of A level Moving Image Arts – a qualification that remains unique in the UK and internationally.

In December 2018, we hosted our largest ever award ceremony – Celebrate with CCEA. We merged our former GCE Celebrating Excellence and Celebrate with CCEA ceremonies to form one inclusive event, bringing together 136 learners across our general and skills-based qualifications. Mr Derek Baker, Permanent Secretary at the Department of Education, welcomed over 600 guests as he opened the ceremony.

Our True Colours exhibition had another successful year in 2018–19. True Colours ran over six weeks through January and February 2019. It not only provided a showcase for the excellent work going on in our schools, but also acted as a learning tool for 3,700 pupils from 83 schools across Northern Ireland who visited the show. Over 72,370 members of the public also viewed the exhibition.

Developing our People

Despite a challenging budget, we recognise that it is important to continue to invest in one of our most important resources: our people. The capability and capacity of our workforce is the foundation of achieving CCEA's corporate plan and long-term goal.

At CCEA, we use various programmes and recognised standards to ensure the learning and development of our people. This year, we were reaccredited Silver status of the Investors in People (IiP) standard. This is the first award to CCEA under Generation 6, the new IiP framework. This is a higher standard framework that has evolved to reflect latest workplace trends, leading practices and conditions required to create high performing teams.

During 2018–19, we continued to deliver our people strategy and our commitment to increasing the skills and knowledge levels of our staff. We did this by providing professional development opportunities and continuing to improve the service that we provide to our stakeholders.

To support this, we implemented several staff programmes. These included a full review of CCEA's performance review system, which resulted in the launch of Inspiring Performance Process. This new system will go live for 2019–20. It will encourage a more open conversation between staff and their line managers about performance and as how they have reflected the CCEA values during the year.

This year's Training and Development Programme – Roadmap to Excellence – gave all staff the opportunity to attend a range of courses. These included digital skills, technology, compliance and leadership modules. The programme aimed to provide managers and staff with a framework that supports and encourages a culture of continuous improvement and career development. Staff attended over 40 external training events.

Striving for Quality in all that we do

We are committed to providing the best possible services to schools, colleges and the wider community. An important aspect of this work is adhering to and being assessed against a range of internationally recognised quality standards. This year we achieved recertification to the ISO 9001, ISO 14001 and ISO 18001 standards. We were subject to regular surveillance visits that ensure ongoing compliance.

In this digital age, we continually review cyber security risk and put the appropriate mitigation measures in place to assure the confidentiality, availability and integrity of CCEA's business systems. As part of this strategy, we recently completed a full re-accreditation against ISO 27000, with an annual update completed against ISO 20000 accreditation. This approach helps to assure our key stakeholders that our information security methodology and service delivery follow best practice.

We view complaints as a learning opportunity to improve our products and services. We manage all complaints in line with the Customer Charter timescales and the CCEA Complaints Policy. During 2018–19, 98% of complaints received an initial response within 5 working days and 100% received a full response in 20 working days.

Last year, we also completed a full review of the data that we hold and updated our systems in preparation for the introduction of the General Data Protection Regulation (GDPR). On 25 May 2018, we were fully compliant with the new GDPR regulations. A GDPR Steering Group continues to ensure compliance, supported by GDPR Champions who operate in each functional area.



Looking Forward

Balancing budget pressures

Over the last four years, CCEA has had to reduce staffing levels by 74 people through the Voluntary Exit Scheme (VES) due to continued budget restraints. Although this has helped to reduced the budget pressure, we will need to identify further savings and efficiencies in 2019–20 to ensure that we continue to maintain our high quality service.

Modernisation

Technology has given CCEA the opportunity to develop a range of online and digital services to support the work that we do and reduce some operational costs.

Over the last few years, we have been able to move 81% of examinations papers to online marking. This has helped to increase the speed of the marking process and, after the issuing of results, provide extra information on schools' data via CCEA Analytics.

We will continue to look at innovative digital solutions to modernise our services. This will ensure that we maintain our high standards and provide an enhanced service to our key customers.

Highlights for 2019–20 include:

- in April 2019, we invited 1,500 students from three schools to take part in a beta student and timetable application pilot, with the view of launching the full application in April 2020; and
- in summer 2019, we will launch the new CCEA website, which will give users improved navigation and refreshed experience.

Supporting teachers and learners

As part of our ongoing commitment to modernisation, we will continue to develop a range of digital resources and materials that are accessible to all.

Following the success of the Exemplification of Examination Performance (EEP) webinars, we will continue with this approach for the revised GCSEs in early 2020.

We will also conduct a review of CCEA's current approach to support across Qualifications and Curriculum to identify any opportunities for efficiencies and improvement.

Continuing to raise awareness of the changes to GCSE Grading in Northern Ireland

In summer 2019, CCEA will make the first full award of the new GCSE grading scale. We will continue our communications work and engagement with all of our stakeholders in the year ahead, to maintain understanding of the changes and comparability.

In summer 2019, we will release a Higher Education guide. We will continue to engage with UCAS, the IUA and universities to ensure that they are aware of the changes and the comparability of CCEA GCSE grades, with the 9–1 scale and the grading in Wales.

Supporting the Department for the Economy

We continue to provide advice and guidance to the Department for the Economy on a range of regulatory matters. During 2018–19, we supported the development and introduction of the digital Personal Learning Record (dPLR) and Apprenticeships and Youth Training frameworks. We will support the development of further frameworks and a communications and support programme for the launch of the dPLR. We will also conduct research into learner progression from Entry to Level 1 qualifications, during 2019–20.



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>Q3</u> Developing the Education Workforce	<u>Q4</u> Improving the Learning Environment	<u>Q5</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 2018–19

Key Strategic Objectives

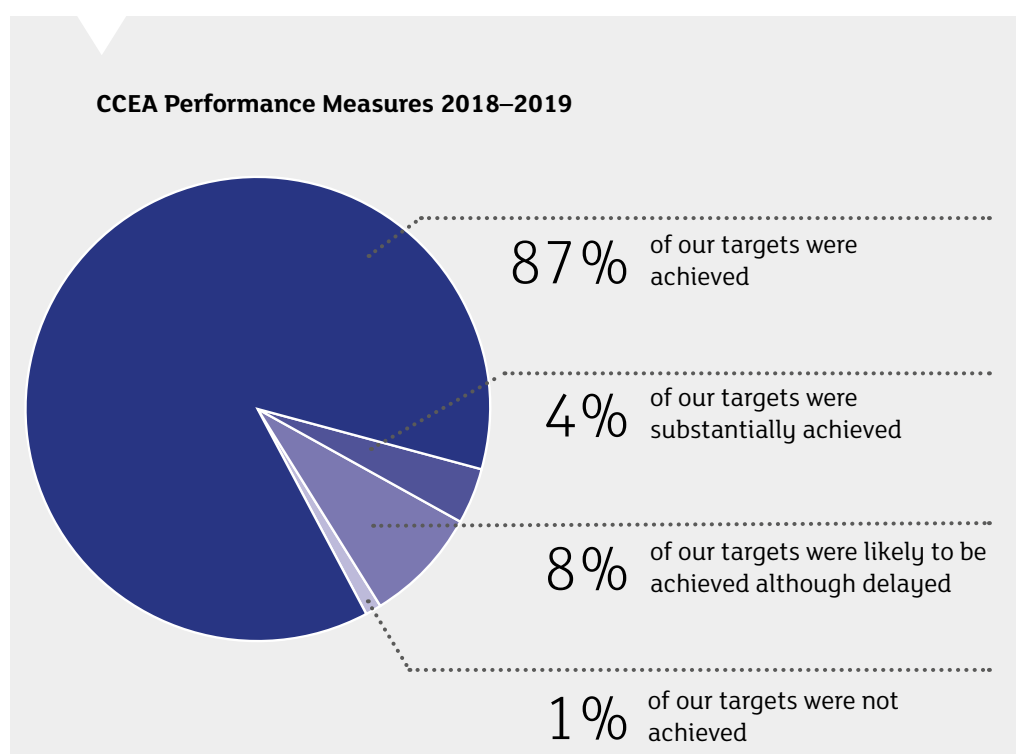
The draft CCEA 2015–18 corporate plan aims to underpin the work of the Department of Education (DE) and the Northern Ireland Executive. It has four strategic themes:

- 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 form the basis for the CCEA corporate objectives, which are measured through 184 Key Strategic Indicators (KSIs). These indicators include both DE agreed business measures and internal CCEA operational measures.

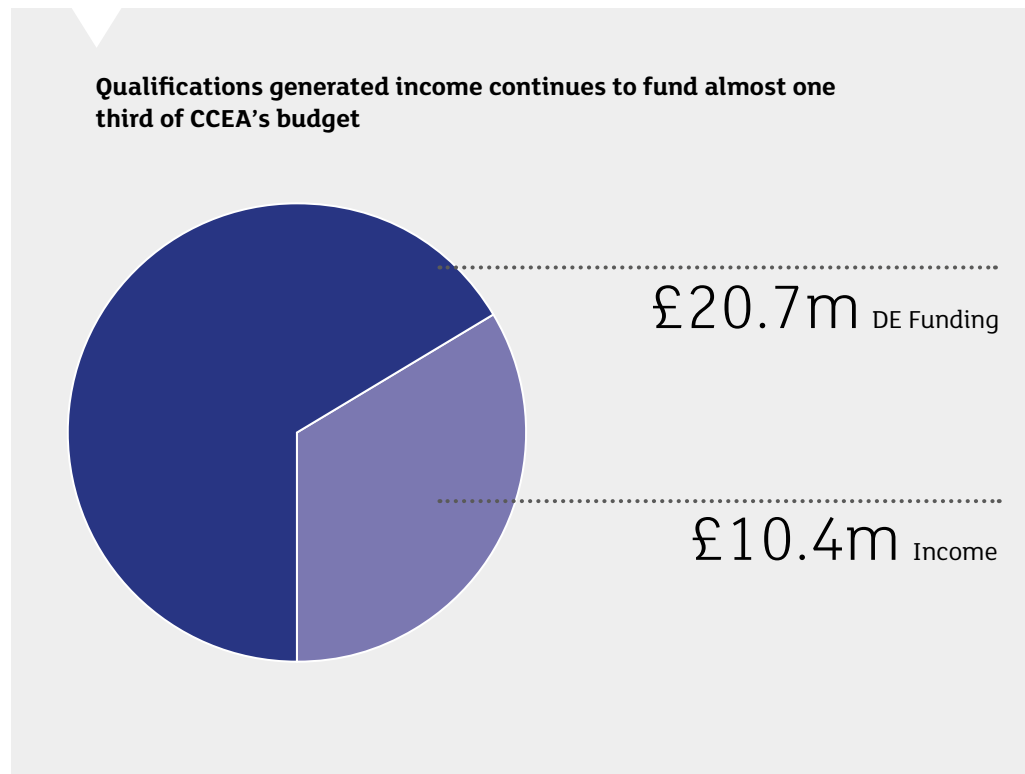
CCEA recorded strong organisational performance during 2018–19. We Achieved, Substantially Achieved or are Likely to Achieve, but with Some Delay, 99% of our performance measures. Only 3 measures (1%) were Not Achieved. This was mostly due either to issues beyond CCEA's control or changes in strategic priorities.

During 2018–19, CCEA reviewed the development process and format of the Operational Plan in conjunction with the DE. As a result, the 2019–20 CCEA Operational Plan contains around 70 measures that are designated as either DE Business Plan or CCEA Operational measures. These measures are more strategic, cross-cutting and outcome-based in nature, leading to a greater focus on continuous improvement, implementing innovative processes and a more efficient use of resources across CCEA.



CCEA PERFORMANCE IN NUMBERS

Funding



DE Funding Allocation

DE Funding Allocation	2019 £ (000s)	2018 £ (000s)	2017 £ (000s)
General Recurrent	19,996	19,479	22,739
Voluntary Exit Scheme	189	452	2,100
Capital	516	249	186
Total DE Funding Allocation	20,701	20,180	25,025

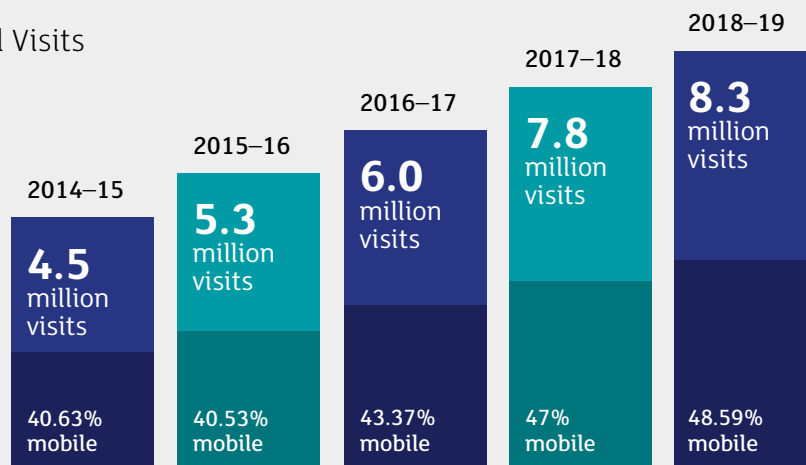
CCEA has contained recurrent and capital expenditure within the resources made available in the 2018–19 financial year by DE.

Digital Engagement with Customers



CCEA Web Statistics

Total Visits



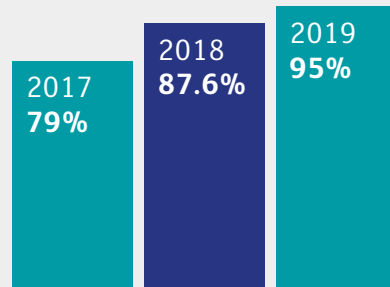
While social media interaction develops rapidly, organisational reputation can still be won and lost across mainstream media such as newspapers, radio and television. We continue to track performance in this area.

Examinations

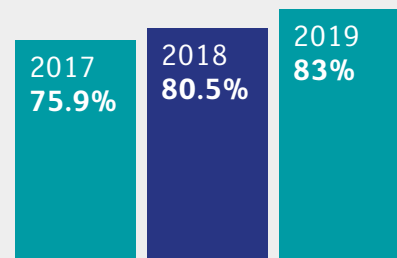
More and more teachers are choosing CCEA as their preferred awarding organisation.

Northern Ireland Market Share

GCSE



GCE



294

free teacher events covering revised specifications, teacher upskilling in digital skills and new teaching resources to support the NI Curriculum



81%
of examination papers
marked online



226,000
grades issued
in 2018

Celebrate
with CCEA

136 learners, across general
and skills-based qualifications
recognised at Celebrate with CCEA
award ceremony in December 2018



TRUE COLOURS

72,370

members of the public, alongside
3,700 learners, viewed the True
Colours art & design exhibition

Resourcing the Organisation

CCEA staff headcount
decreased from

346 to 337



Providing Support to Teachers

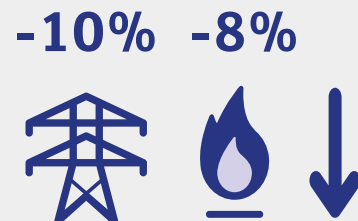
events microsities webinars
exhibitions tutorials CPD events
online training resource packs
booklets conferences curricular resources
workshops factfiles cluster groups

Environmentally Aware

During the last year:



we were certified to ISO 14001:2015, the international environmental management standard, in 2018/19



we met our electricity and gas reduction targets. Oil usage remained the same as last year



we had 3532 visits to our Ecoworld website, which promotes environmental awareness, during 2018/19

Sustainability Report

In keeping with the Department of Agriculture, Environment and Rural Affairs' 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. CCEA's certification was successfully migrated to the revised ISO 14001:2015 standard in 2018. The new standard focuses on enhanced environmental performance, fulfilling compliance obligations and achieving environmental objectives.

- **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, financial sustainability, environmental responsibility and diversity demonstrates our commitment to sustainable development and to strengthening our positive contribution to society, the economy and the environment.

We develop innovative resources for each core aspect of the NI Curriculum. These resources, available at www.ccea.org.uk, are accessed by and impact on a significant number of teacher 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 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.

Environmental Improvement Plan

As described above, we employ the ISO 14001:2015 environmental management standard to focus efforts on creating a positive influence on the environment and to reduce or eliminate negative impacts. ISO 14001 provides a framework to identify and risk assess CCEA's environmental aspects and impacts. CCEA's environmental commitment and associated objectives are outlined in our environmental policy.

We maintain an environmental improvement plan linked to the environmental objectives, which are based on the areas where we can exert significant influence. The most significant relate to paper consumption, energy usage and staff travel and therefore the environmental improvement plan has been designed with these as priorities. Environmental objectives are monitored and where improvements have not been realised, we take remedial action to resolve any issues.

Our environmental management system aims to ensure that we are made aware of and comply with all environmental compliance requirements. We achieve this by keeping up to date with legislative developments from a variety of sources. New and changed legislation is considered to determine what actions CCEA needs to put in place to ensure it is legally compliant.

The ISO 14001 assessor has commended CCEA's environmental management system and remains satisfied that, across CCEA, there is a demonstrable commitment to being an environmentally responsible organisation.

Sustainability Strategies

CCEA uses various strategies to decrease our impact on the environment. Examples during 2018–19 include:

- raising staff awareness about respecting the environment by reducing energy and paper consumption;
- transitioning to Office 365 to support electronic communications; and
- continuing to:
 - encourage paperless meetings by providing laptops or tablets to senior managers;
 - offer our cycle to work scheme; and
 - use our company electric van.

As part of the ISO 14001 system, we have a range of documented policies and procedures to support our commitment to the environment. 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 CCEA's 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 by external qualified assessors in 2018–19. The Clarendon building received a rating of 40 and retained its B grade (good) for energy efficiency, which is the second-highest grade available. The William Ritchie building, which is under the control Belfast Harbour Commissioners, received a rating of 77 equating to a D grade (average). A rating of 100 would be typical for both buildings. This number does not represent actual units of energy consumed; it represents comparative energy efficiency.

In respect of paper usage, which is CCEA's main environmental impact, we have continued to increase online services while using paper sourced from sustainable forests or recycled paper.

Recycling continues to be a focus of the environmental improvement programme. We provide facilities to recycle paper, card, aluminium cans, plastics, glass and toner and printer cartridges.

Over the past three years as part of our commitment to reducing our environmental impact, we have removed office printers to encourage staff to use more efficient floor copiers or the Print Production Team’s services. Options include more environmentally friendly solutions such as scanning. Floor copiers provide information on the cost of printing to encourage staff to think before they print. Every quarter, we provide key staff with an environmental report. An annual report also shows print usage across the organisation. We inform staff about our policy to reduce print and encourage them to adhere to the printing procedures. These initiatives have reduced paper consumption and toner and printer cartridge use.

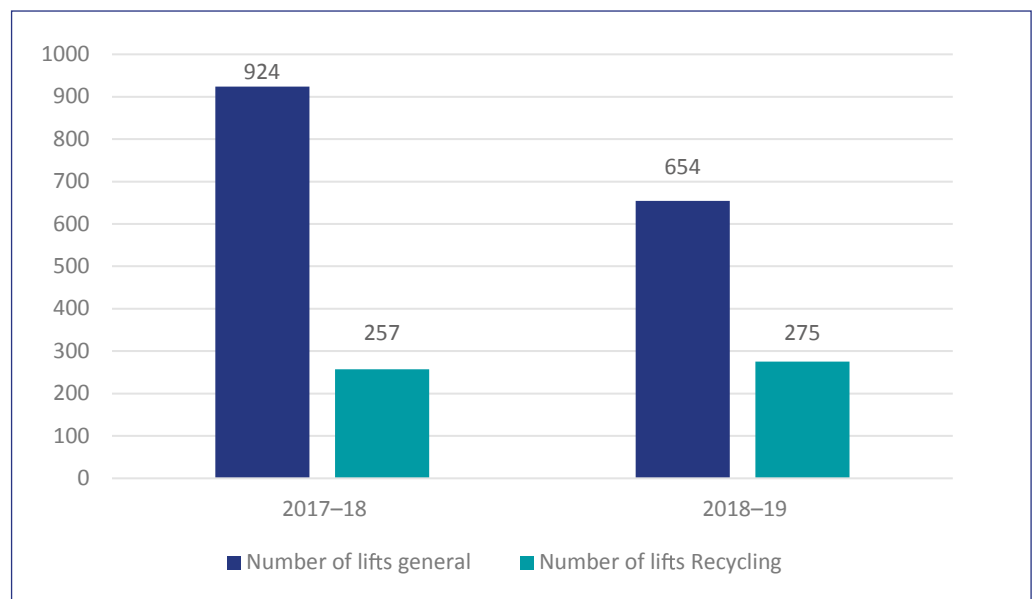
Since 2017–18, floor copier use has reduced paper consumption by 15%.

CCEA encourage staff to consider alternatives to printing such as scanning, storing as PDFs, linking to documents or sending as an email attachment rather than hard copy.

The statistical information below outlines key highlights in our sustainability performance for 2018–19.

Area of focus	Target	Status
PAPER REDUCTION		
E-Moderation paper reduction (General Qualifications)	2018–19 = 100% reduction for Occupation Studies (January 2019 series)	Target met
Online marking	2018–19 = 80% of scripts marked online	Target met

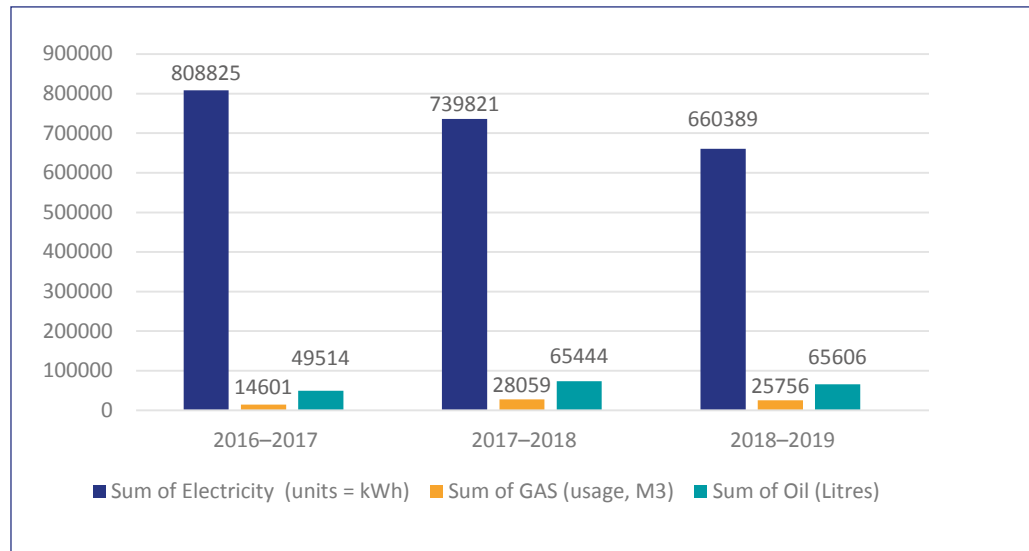
Waste Reduction – Landfill Waste v Recycling



Landfill waste has decreased by 29%.

Recycling of mixed waste such as plastic, non-confidential paper and card has increased by 7%.

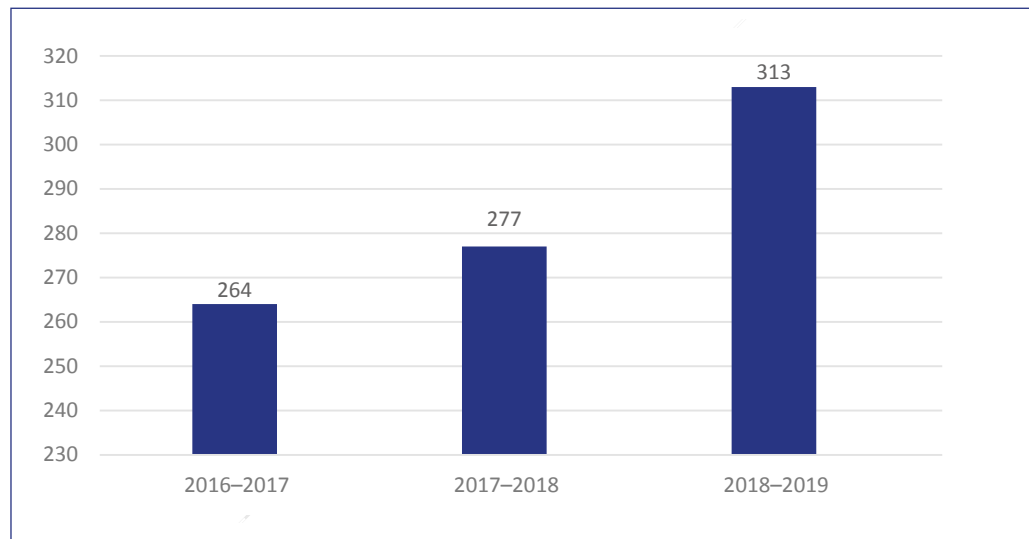
Energy Usage – Oil, Electricity, Gas



Electricity use has decreased by 10%.
 Gas use has decreased by 8%.
 Oil (litres) use has remained the same.

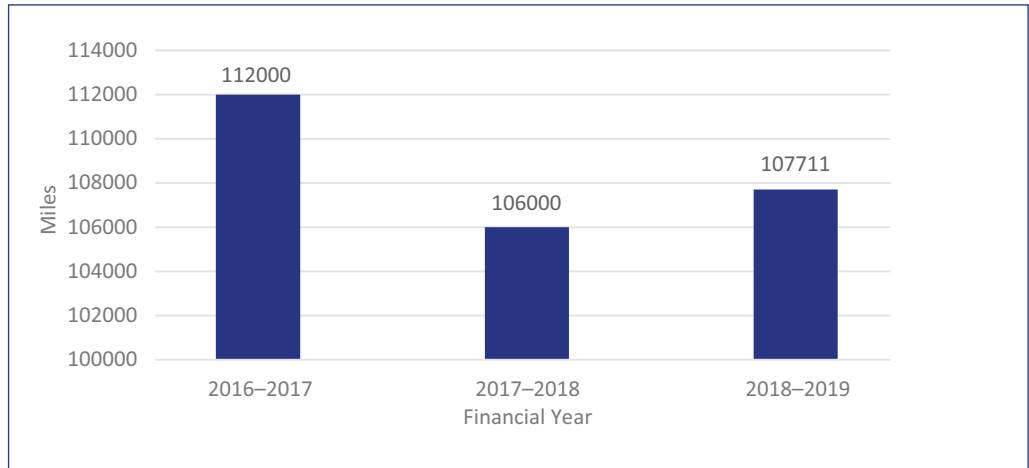
Regular monitoring of utilities has identified issues at an early stage, enabling us to rectify problems and put preventive measures in place to reduce energy usage.

Staff travel – flights



Flights have increased by 13% in the 2018–19 year. Although staff are encouraged to use videoconferencing, business need has necessitated flights for some teams in CCEA. For example, changes to the new grading scale and diverging policies across the United Kingdom have required more travel in the 2018–19 than before. This is monitored by CCEA’s Executive Team on a weekly basis and has also been reviewed as part of the ISO 14001 environmental management system.

Staff travel – car mileage



Staff mileage has increased by 2% in the 2018-2019 year. Staff are encouraged to car share, skype or hold meetings in CCEA to minimise car travel.



The development of the curriculum, associated resources and development of online services has led to positive environmental impacts. The following projects demonstrate the highlights of this progress:

POSITIVE IMPACT		
Area of focus	Target	Status
Environmental awareness	We further enhance our environmental support through the following educational resources.	
Environmental awareness	Ecoworld	After website updates in May 2018 and a communication campaign (to include postcards and posters being sent to centres and CCEA Facebook and Twitter support) Ecoworld website visits had risen by 699 to 3,532.
	Bryson Education	Website visits have steadily increased by 1,433 to 48,251.
Development of Digital Skills portal	Developing skills that will be useful to anyone wanting to take part in various digital aspects of society, safely and without hindrance	<p>CCEA has continued to provide a range of support for digital skills across Key Stage 3. CCEA has identified specific support requirements for teachers at Key Stage 3 and 4 and has provided online resources for <i>C#, a year 10 Python Resource</i> developed in collaboration with Queens University Belfast, and <i>Getting started with Python</i>.</p> <p>In October, CCEA launched a suite of resources to support teachers of digital skills to deliver Coding in the Classroom. The resources provide teachers with practical, online teaching and learning materials designed to ensure that young people have opportunities to develop this essential skill. In this way, CCEA is providing accessible support in line with need and continuously building skills and confidence over time. We collaborated with Kainos to deliver three training sessions on Coding in the Classroom. In 2018–19, 258 teachers from 119 schools attended workshops. These included computational thinking and Python-specific support. Since the resources were launched in October 2018, they have proved popular with schools with the following metrics confirming access to date:</p> <p>Page views between 05.11.18 and 20.03.19</p> <ul style="list-style-type: none"> • C#: 1,557 • Year 10 Python resource: 9,179 • Getting Started with Python: 13,042 <p>To date, 1,129 have accessed the course online.</p> <p>Evaluations have illustrated high levels of teacher satisfaction, with 85% advising CCEA that the support received had a very positive impact on how they teach at Key Stage 3. In addition, 68% of those teachers stated that they are likely to increase their coding provision at GCSE as a result of the resources and support.</p>

<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>The software for Q skills and Quest was made available to all schools in summer 2018. CCEA has provided a range of support visits and webinars to promote and demonstrate the software and the benefits to schools. The software has been very well received by schools with 30 out of 39 schools using it to track learner progress.</p> <p>We have produced an online support package for the Q skills software, which shows schools how to use the software in the classroom. This is available on the CCEA website.</p>
	<p>Growing for the Future: available at www.ccea.org.uk/growing</p>	<p>This project promotes healthy eating and encourages children to grow fruit and vegetables and explore where food comes from through monthly activities that support the curriculum. In April 2018, The Get Cooking Campaign was launched to support Key Stage 2 teachers and lead to a Cook-along webinar of making potato bread. 250 pupils from 10 primary schools across Northern Ireland took part in the webinar. During the webinar, The Schools Enterprise Challenge was launched. Using the Enterprise resource and Mathematics Challenge resources, schools were asked to set up and run their own enterprise to design, make and sell a new flavour of potato bread (or different homegrown product) to their school community, friends and family. One school decided to take on the challenge and were successful in seeing their own creation of sweet potato, bacon and chive potato bread come to life. (http://ccea.org.uk/growing/get_cooking_campaign.php) Curriculum has hosted some training days for a Shared Education cluster group in Fermanagh to support teachers in using the resource.</p> <p>CCEA attended the Eco-Schools Conference in March 2019 to continue to promote the resource.</p> <p>CCEA facilitated a health and well-being Teacher Professional Learning (TPL) course as part of the Education Authority's Shared Education Programme, which focused on the Growing for the Future resource.</p>

	Understanding Homelessness	<p>This resource supports teachers to increase pupils' understanding of homelessness and its underlying causes and in raising awareness of the help that is available for someone who finds themselves homeless or at risk of homelessness.</p> <p>Aligned to the NI Curriculum's primary World Around Us and post-primary Learning for Life and Work, the resource was developed with input from an Inter-Agency Steering Group, including Council for Homelessness NI, Housing Rights, First Housing, Women's Aid, Extern, Depaul, MACs and the Simon Community.</p>
	Active Citizenship	<p>CCEA produced and published a range of resources online on Active Citizenship on behalf of the Department of Justice, including animations, lesson plans and guidance and a collaboration with Cinemagic to produce film, drama and active teaching and learning resources, focusing on the risks and consequences of anti-social behaviour.</p>
Further development of CCEA Analytics to capture item level data for use by schools	Increased data capture	<p>Since the release of the summer 2018 data on 31 October 2018, 83% of centres have accessed CCEA Analytics.</p> <p>Continuous Improvement: centre evaluation questionnaire completed between 15 February 2019 and 29 March 2019. Analysis of centre feedback is currently in progress.</p>

CCEA continues to use its environmental improvement programme, alongside its financial savings initiatives, to demonstrate its care and responsibility for the public money it receives.

Carbon Reduction Commitment Scheme

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

Corporate Social Responsibility

CCEA's commitment to Corporate Social Responsibility (CSR) means we aim to conduct our business ethically and ensure that 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

CCEA continues to be committed to supporting social and charitable events. In 2018–19 we supported St Vincent de Paul and the Salvation Army across Northern Ireland with the Giving Tree.

We are also involved with Business in the Community. As part of the Love Your Landscape Day, staff helped at the launch of the Dippy the Dinosaur exhibition at the Ulster Museum.

CCEA staff have chosen PIPS as its Charity of the Year. We have held several events, including cake sales, ballots and a quiz, to raise funds to support the charity.

Well-Being

Our Health and Well-Being programme launched in September 2018. There has been a full programme of events. These include flu vaccinations, heart health checks, mental health first aid training, Pilates, Zumba, Free Fruit Week, provision of health care and a dietary demonstration focusing on eating for energy. These activities aim to support the long-term health and well-being of our staff.

Investors in People Standard (IiP)

CCEA is a recognised Investors in People organisation. We are committed to continuous improvement through the development of people. We continue to hold silver status through the new Sixth Generation framework.

Learning and Development

We recognise that the capability and capacity of our workforce is the foundation of achieving CCEA's Corporate Plan and longer terms aims.

To realise these ambitions, we continue to make a strong commitment to developing staff in the knowledge and skills required to deliver on our objectives.

In 2018–19, we provided a range of key development initiatives through the Road to Excellence programme. Its main aim was to provide a framework to support and encourage a culture of continuous improvement and career development.



The programme has five key themes designed to be challenging, interactive and bespoke to CCEA requirements. These are:

- a Management Development programme, which focuses on promoting strong leadership skills across the Education Directorate;
- a Skills Development programme, which offers diverse workshops ranging from contract management and complaints training to project management and Skype for Business;
- E-Learning training offering a suite of over 80 workshops or tutorials, giving staff the flexibility to fit training around work commitments;
- Compliance training, which includes training on business cases and performance review training; and
- Digital Skills applications, including training on Power BI, SharePoint, Office 365 and Google Analytics.

Signed: *J. Edwards*
Justin Edwards, Chief Executive

Date: *28 June 2019*

02 Accountability Report



Non-Executive Directors' Report

Chairperson's Reflection on Behalf of the Council



The 2018–19 financial year has been challenging. CCEA faced ongoing budget pressures, political uncertainty at Stormont and the impact of the UK leaving the European Union, while maintaining the highest standards in our service provision.

During the last year, once again, the organisation was required to address its cost base, with a further reduction in the workforce. Efficiencies have been achieved. However, I am mindful of the challenge of balancing the health of the organisation against the increased pressure of reducing staffing levels. CCEA's staff are to be commended for their diligence and for demonstrating such continuing high levels of skills and knowledge through the introduction of innovative solutions to modernise the examinations system.

The last twelve months saw the first full year of the re-structured Executive Team. I am pleased to note that we are already reaping the benefits of the new structure as the senior team, alongside their directorates, collaborated to ensure we maintained our high levels of service, despite the ongoing challenges and constraints.

The ongoing impasse at Stormont and the absence of a Minister of Education has presented a number of challenges. CCEA Council has had to sustain a reduced capacity in its membership after members moved on. Regrettably, we were unable to appoint new members to the Council due to the absence of a Minister. This has increased pressure on the Council in delivering our responsibilities and those of the sub-committees.

The impasse, however, has enabled the Council and CCEA to strengthen our relationships, not just with the Department of Education but also across the wider Northern Ireland educational landscape, bringing benefits to our young people. Resulting activity has included a live webinar that CCEA hosted with the Northern Ireland Commissioner for Children and Young People (NICCY); an Active Citizenship resource and a film raising awareness of the important issue of anti-social behaviour developed on behalf of the Department of Justice; and the Understanding Homelessness resource developed to support the inter-agency Ending Homelessness Together strategy. All of the above demonstrate the strength of good working partnerships and the effective use of limited resources.

An important part of CCEA's statutory role is to monitor the Northern Ireland Curriculum. This year, the organisation has been conducting a curriculum monitoring exercise, gathering feedback from a range of stakeholders on curriculum support provision. As the exercise is concluded in 2019, we wait with interest to see the feedback and ascertain the views on the next generation of qualifications and skill sets required. This feedback will help CCEA to prepare for any changes that the Department may request.

The policy divergence between the three jurisdictions (Northern Ireland, England and Wales) in terms of GCSE grading has presented some challenges. Over the last year, CCEA has worked tirelessly to overcome these challenges and deliver a comprehensive communications strategy that ensures the portability of CCEA qualifications. As well as engaging with schools, colleges and students, CCEA has worked with universities, UCAS, IUA and employers to further raise awareness of these changes and the comparability between letter and number grades. Once again, CCEA's share of the market entries at both GCSE and GCE increased in summer 2018. I view this as an increase in confidence of the local teaching community in the organisation, the qualifications that we offer and their portability.

During my time in education, I have always greatly valued the important work of the Joint Council for Qualifications (JCQ) as it ensures the best interests of young people are at the forefront of examinations. This work continues to be even more vital in the education system as the policy divergence evolves across the three countries and to ensure common standards of fairness are maintained.

The last GCSE legacy examinations took place in January 2019. The revised GCSE and GCE specifications are now firmly embedded in the system. We continuously monitor these new qualifications and the resources required to effectively implement and assess them, in particular the Sciences. The controlled assessment element of Science qualifications attracts costs to both schools and CCEA, causing some additional pressure to budgets and school timetables.

I, and CCEA Council, want to ensure that this type of assessment is continuously reviewed and to determine if these requirements are placing unnecessary pressure on the system.

Education and examinations is a highly pressurised environment, especially in relation to performance and league tables. In some cases, this pressure can lead to non-compliance in delivering and taking examinations. It is sometimes easy for us to lose sight of the true purpose of education. It is not just about the examination results, which can be a narrow measurement, but also the journey, skills development and other extracurricular activities that a learner's school life should reflect. Effective careers guidance in schools is a key part of this education journey, highlighting the qualifications that will equip the learner with the skills required to open many career doors.

We continue to develop our people, as ultimately their skills and capabilities are what enable us to deliver our strategic and operational goals successfully. I was delighted to learn that, once again, we were awarded Investors in People (IiP) silver status, following external assessment in early 2019 using the new higher standard IiP Generation 6. CCEA staff's skills and capabilities were greatly in evidence as CCEA collected two gold awards at the Learning Technology Awards in November 2018 for the innovative Vikings Minecraft project. My congratulations to the Curriculum, Multimedia and other teams involved in this success.

In the year ahead, it is crucial that the organisation continues to move swiftly on our Estates Strategy with clear opportunities identified.

In 2019–20, I am keen that CCEA continues to find opportunities to reduce pressure on the core budget through partnerships and funding from other sources, and develop collaborative projects to support education in Northern Ireland.

Trevor Carson
Chairperson
CCEA

Our Council

Membership as at 31 March 2019

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 for his second term is effective from 1 February 2017 until 31 January 2021.

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;
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that CCEA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Annual Governance Statement

1 April 2018 to 31 March 2019

CCEA's governance statement has been prepared in accordance with the Corporate Governance in Central Government Departments: Code of Good Practice NI 2013 and guidance issued by the Department of Education and Managing Public Money NI (MPMNI). Sections include:

- Scope of Responsibility
- The Governance Framework
- Risk Assessment
- Review of the Effectiveness of Risk Management and internal control
- Significant Issues

Scope of responsibility

As Accounting Officer for CCEA, I am responsible for ensuring effective governance and supporting robust internal control systems 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;
- 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.

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.

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

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

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

Council/Committee Members' Attendance for Financial Year April 2018–March 2019

Members	Council Meetings (5 in year)	Audit and Risk Assurance Committee Meetings (4 in year)	Finance Committee Meetings (5 in year)	Education Committee Meetings (3 in year)	Regulatory Advisory Committee Meetings (3 in year)	Remuneration Committee Meetings (3 in year)	Percentage Attendance
Trevor Carson (Chair)	5		5		3	3	100%
Mr C McKinney	5	2					78%
Dr L Caul (Chair of Audit & Risk Assurance Committee)	5	4		3		2	93%
Dr N Morton (Chair of Education Committee)	5		4	3		3	94%
Mrs C Fitzsimons	3		4			2	69%
Mrs Christine Harpur	5	3			2		83%
Mr RJ Thompson	5		5	3		3	100%
Mr B Wilson	2	4					67%
Dr A Kerr	5	0		3			67%
Mrs R Cowan	3		4			1	62%
Mrs K O'Hare	5	4		1			83%
Dr G Byrne **		4					100%
Mr J Burns ◇				1			33%
Ms S McGahan ◇				3			100%
Ms P Slevin ◇				2			67%
Ms C Currie ◇				3			100%
Mrs J Bartley ◇				1			33%
Mrs D Ui Cheallaigh ◇				2			67%
Mr D Donnelly ◇				1			33%
Ms D O'Hare ◇				3			100%
Dr R Davison #					3		100%
Mr J Wilkinson #					3		100%
Dr A Farrell #					2		67%
Mr P Blaker #					1		33%
Ms A Clydesdale #					1		33%
Dr F Graham #					2		67%
Mr T Gray #					2		67%
Dr J Brown #					2		67%
Mr B Doran #					1		33%
Dr K Marshall #					1		33%

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 2018–19, 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;
- training and development events for Council members;
- continuing evaluation of effectiveness;
- co-option of sector representatives to the Education Committee, ensuring wider stakeholder representation; and
- the digitisation of Council Papers and meetings.

Recruitment of CCEA Council Members continued to be a risk in 2018–19 as membership was 10 members in addition to the Chairman. The statutory minimum is nine members plus a Chairman. There is a risk of becoming below quorate and also the diversity and breadth of participation could be further enhanced by further recruitment. This decision cannot be progressed in the absence of a Minister. This risk did not materialise in 2018–19 and therefore the operational impact was minimal.

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) in early April 2018 was 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 and external audit.

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

CCEA's Management Framework

CCEA's Executive Team consists of the Chief Executive, the Director of Education and the Director of Finance and Corporate Services. The Executive Team normally meets weekly and considers strategic and operational matters on a 6-week cycle.

CCEA also operates a monthly Management Forum to support the delivery of operational issues. The Management Forum met during 2018–19 considering matters, including resourcing (finance and human), strategic planning, operational risk and the management of exceptions.

Under the requirements of the ISO standards (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.

CCEA's Sponsoring Department (Department of Education [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 CCEA and DE officers. During the year, the Department of Education has also made a presentation to Council and Committee meetings on strategic issues relating to CCEA business.

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:

- Minute Pad Training has now been completed for all Council members and supporting CCEA officers. The Council moved to an e-governance format in March 2019;
- the Council Chair meets with the Chairs of each committee on an annual basis to discuss mechanisms to improve direct feedback, the members' appraisal process and the effectiveness of committee outputs;
- improvements have been made to financial reports, including improved operational and strategic detail, which are presented on a quarterly basis to the Council and Finance Committee;
- Human Resources continues as a standing item on the Finance Committee with detailed information provided by the Director of Finance and Corporate Services with support from specialist managers; and
- detailed feedback on internal audit assessments from internal and external auditors continue to be provided to the Audit and Risk Assurance Committee 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 2018–19.

The Risk and Control Framework

Risk Management Arrangements

CCEA has an established risk management framework that is managed by the Business Assurance unit. The Corporate Risk register is reviewed on a quarterly basis and considered by the Executive Team and Audit and Risk Assurance Committee. The Audit and Risk Assurance Committee Chair provides regular reports to Council on risks, mitigations and actions.

Where Corporate risks include mitigations beyond CCEA's control, CCEA has ensured internal mitigations and 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.

CCEA's Corporate Risk Register details eight 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 the 2018–19 corporate risks is underway.

The eight corporate risks are outlined below:

1. failure to ensure adequate processes and resources (including human, physical and financial) to support the provision of quality services and products in Curriculum, Assessment, Examinations;
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 qualification offer aligns with Department of Education and Department for the Economy Policies;
3. failure to ensure that appropriate resources are in place and effective to provide the quality digital solutions required by CCEA;
4. failure in the delivery of products, services or systems as a result of third-party dependencies;
5. 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;
6. failure to adequately protect data and data services;
7. failure to manage market position, corporate reputation and brand value; and
8. failure to support the Northern Ireland Curriculum and Assessment Arrangements, to ensure that it meets the aims objectives of the Department of Education.

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.

- **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, ISO 27001 and ISO 20000; PPEs; legislative compliance assessments; audits; process reviews and the recommendations associated with these.

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 2018–19 internal audit operational plan referenced six risk-based audits and one audit of assessment of compliance against the General Conditions of Recognition which are established by the Qualifications Regulators and with which all Awarding Organisations must comply. All six risk-based audits are complete with all achieving satisfactory ratings. Internal Audit's overall level of assurance for 2018–19 is rated as satisfactory.

- ***External Audit***

ASM Chartered Accountants has been recently appointed to undertake the external audit function for CCEA on behalf of the NIAO, beginning with the 2018–19 financial year. In relation to the 2017–18 financial year, the external audit was carried out by PricewaterhouseCoopers LLP, again on behalf of the NIAO. CCEA's 2017–18 Report to those Charged with Governance issued by NIAO stated the Comptroller and Auditor General had certified CCEA's accounts with an unqualified audit opinion without modification. The external audit identified three Priority 2 and one Priority 3 recommendations. One of the Priority 2 recommendations is currently being resolved via engagement with the Department. The other recommendations are completed.

- ***CCEA's planning and performance management framework***

Objectives and Key Strategic Indicators (KSIs) for CCEA are set and managed through CCEA's Corporate Plan monitored through the 2018–19 CCEA Operational Plan. This incorporates those objectives and KSIs identified in the Department of Education (DE) Business Plan. Within the Operational Plan, there are 184 KSIs, 65 of which are DE Business Plan KSIs and 119 are CCEA KSIs.

Each quarter, performance achievement against these plans is measured and evaluated by CCEA's Business Assurance unit and reviewed by Executive Team (ET). The performance is then reported to CCEA's Finance Committee.

An analysis is provided of CCEA's performance against these KSIs in 2018–19 in the Review of Performance 2018–19 section. In summary, of the 184 KSIs identified in the 2018–19 Operational Plan, 167 KSIs (91%) were Achieved or Substantially Achieved, a further 14 (8%) were Likely to be Achieved but with Some Delay and 3 KSIs (1%) were not achieved. A more detailed review of performance is included in the Review of Performance for 2018–19 section.

- ***Regulation***

CCEA, as a recognised awarding organisation, undertook its annual self-assessment exercise in Summer 2018. This was against the Regulatory General Conditions of Recognition (GCOR). 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 2018–19, 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 wellbeing. 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 2018–19, assessment of CCEA's compliance with the information security standard, ISO 27001, was recertified in May 2018 with retention of certification to the standard. This provides assurance over CCEA's information security controls.
- **ISO 20000 (Information Technology Service Management Standard)**
During 2018–19, CCEA achieved certification for the second time in May 2018 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 is a recognised Investors in People organisation and is committed to continuous improvement through the development of people. CCEA has been re-accredited and maintained Silver status through the new Generation 6 framework.
- **Learning and Development**
CCEA recognises that the foundation of achieving the Corporate Plan and longer-term aims is the capability and capacity of our workforce. To realise these ambitions, we continue to make a strong commitment to developing staff in the knowledge and skills required to deliver on our objectives.

In 2018–19, we provided a range of key development initiatives through the Road to Excellence programme, the main aim of which was to provide managers and staff with a framework that supports and encourages a culture of continuous improvement and career development.

The programme incorporated five key themes and is designed to be challenging, interactive and bespoke to CCEA requirements. The key themes were:

- Management Development Programme focused on promoting strong leadership skills across the Education Directorate;
- Skills development programme offered a diverse range of workshops including contract management, complaints training, project management and Skype for business;
- E-Learning training incorporated a suite of over 80 workshops and tutorials, giving staff the flexibility to fit training around work commitments;
- Compliance training included training on business cases and Performance Review training;
- Digital Skills Applications included training on Power BI, SharePoint, 365 and Google Analytics; and
- Financial Management.

During 2018–19, CCEA has delivered on a range of savings plans that it was required to implement in order to address a significant cost pressure in relation to both pay and price. This included running a further Voluntary Exit Scheme. CCEA continues to have effective financial management processes in place. Budget reports are provided on a monthly basis to the Department of Education (DE). The Executive Team (ET) and

Directors review budgets on a monthly basis. Financial performance is also reported to the CCEA Finance Committee and Council as a standing item. Budget holders and Directors are required to complete a monthly budget return including predicting their year-end position. A year-end prediction is also carried out as part of each of the formal Department monitoring rounds.

- ***Business Cases and Post Project Evaluations (PPEs)***

CCEA ensures that Business Cases and economic appraisals are prepared proportionately and in line with the Northern Ireland Guide to Expenditure, Appraisal and Evaluation (NIGEAE) requirements and departmental procedures, and appropriate approvals are obtained in line with prescribed timelines and delegated authority. CCEA only uses Direct Award Contracts (DACs) when deemed absolutely necessary and ensures that the use of DACs is fully reviewed and authorised in line with delegated limits and reported to and scrutinised by the Audit and Risk Assurance Committee.

CCEA conducts Post Project Evaluations (PPEs) in line with recommended practice as directed by the Department of Finance. During 2018–19, CCEA completed 200 PPEs. All PPEs required by DE within the 2018–19 year were submitted within agreed timelines.

Information Management and General Data Protection Regulation (GDPR)

A GDPR Steering Group was in place throughout 2018–19 to progress preparations for and implementation of GDPR in May 2018. Following an Internal Audit of Information Governance and Data Protection in November 2018, a review of all CCEA Data Protection related policies and procedures has been completed in order to further strengthen CCEA's GDPR and Data Protection processes.

Training around GDPR and Data Protection was completed by all CCEA staff during 2018–19.

There were no significant data breaches during 2018–19 and no reportable incidences to the Information Commissioner's office

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 2018–19.

Safeguards against losses

CCEA has a robust framework of ISO controlled procedures and policies to counter fraud. CCEA has reviewed the anti-fraud and fraud response plans and the whistle-blowing policy during 2018–19.

During 2018–19, CCEA has continued to engage with the National Fraud Initiative. CCEA investigated all its matches with no instances of fraud identified.

CCEA did not suffer any losses during 2018–19 as a result of fraud. There were attempts to defraud, through phishing emails; however, these were identified and recorded as attempted fraud through the normal operation of controls and therefore no loss was incurred.

Internal Control Arrangements

CCEA internal audit is carried out by an external firm, Moore Stephens. A 3-year internal audit programme was developed and approved by the Audit, Risk and Assurance Committee

The following Internal Audit Reviews have been completed during 2018–19:

Audit Area	Status	Assurance Rating
Absence monitoring/sickness	Complete	Satisfactory
Creditor payments & purchasing	Complete	Satisfactory
Financial management information	Complete	Satisfactory
Exam development and accreditation processes	Complete	Satisfactory
Information governance and data protection	Complete	Satisfactory
Statistical reporting	Complete	Satisfactory

All reviews, together with the Annual Internal Audit Report for the year ended 31 March 2019, were presented to the Audit and Risk Assurance Committee in April 2019.

In assessing the overall 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 prior years;
- the fact that all recommendations have been accepted and will be addressed by management;
- any limitations which 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.**

The Internal Auditors also retrospectively review CCEA's compliance with the Regulatory General Conditions of Recognition (GCOR). The 2017–18 review was completed in August 2018 and found CCEA to be compliant with all 30 conditions. The 2018–19 review will commence in September 2019.

Significant Issues

Internal Control

During 2018–19, there were no Priority 1 recommendations identified by Internal Audit. All recommendations identified through the six internal audit exercises were categorised as Priority 2 or 3 recommendations. I am satisfied therefore that there were no significant internal control issues.

Other Significant Issues

Under the Education Order 1988, Schedule 3 states that CCEA Council shall consist of a Chairman and not fewer than 9 members. CCEA currently has 10 members in addition to the Chairman. In the absence of a Minister CCEA is unable to recruit members, which places additional pressure on the existing Council members.

UK Exit from the European Union

CCEA's Executive Team has been considering the risks associated with the UK's exit from the European Union at regular Executive Team meetings and within the Corporate Risk Register. In early January 2019 CCEA also established a Brexit Review Group made up of senior CCEA Officials whose functions may be affected by Brexit. This group continues to meet weekly and have considered risks and threats to CCEA's business (for example the collection and transportation of examination papers) as well as contingency measures in the event of a disruption. CCEA has also considered the potential impact of data flows issues in the event of a No Deal Brexit and has continued to liaise with DE to ensure that appropriate guidance is adhered to and that risks involving data storage or transfer are mitigated.

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 has in place robust plans to monitor CCEA (AO) to ensure that assessment arrangements are valid, 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 to 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 the Council and will be monitored on a monthly basis by a high-level Project Group.
Industrial Action Short of Strike (ASOS) 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, 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 2019 examination series and 18–19 assessment cycle.

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 2018–19;
- the findings of 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 2018–19.

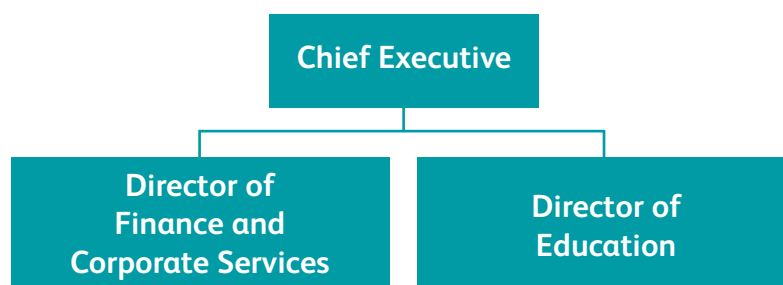
This Governance Statement was formally reviewed and recommended by CCEA’s Audit and Risk Committee on 15 April 2019.

Signed:  Date: 
Justin Edwards, Chief Executive

Remuneration Report

CCEA Executive Team

CCEA's Executive Team consists of the Chief Executive and two Directors:



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

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

Chairperson, Chief Executive and Director Remuneration

The Chairperson's contractual remuneration is determined by the Department of Education (DE) and is paid monthly in arrears. No pension contributions are made. Any proposed increase to the rate requires DE approval and is subject to a fully satisfactory performance review.

Other Council members do not receive any remuneration.

Chief Executive and Director salary levels are subject to scales and ranges approved by DE and, where required, the Department of Finance (DoF). The contractual remuneration of the Chief Executive and Directors consists of salary and pension contributions.

The Chairperson, 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.

Remuneration and Pension Benefits of Senior Management (Audited)

	2018–2019				2017–2018			
	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	105–110	–	44	145–150	105–110	0	23	125–130
Leah Scott Director of Finance and Corporate Services (Appointed 15 Sept 2017) Full Year Equivalent	70–75	–	26	95–100	35–40 70–75	–	54	90–95
Margaret Farragher Director of Education (Appointed 15 Jan 2018) Full Year Equivalent	75–80	–	26	105–110	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
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

* 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.

During the 2018–19 year, the Chairperson received a remuneration of £13,000. In addition, £697 was paid in respect of employer's National Insurance Contributions.

Median Remuneration (Audited)

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 table below provides a year-on-year comparison.

	2019	2018
Band of Highest-Paid Director's Total Remuneration	£105,000–£110,000	£100,000–£105,000
Median Total Remuneration	£28,221	£29,323
Ratio	3.8	3.5
Staff Remuneration Range	£15,000–£110,000	£15,000–£105,000

This increase in the ratio was due to the median remuneration decreasing to a lower scale point. In 2018–19 and in 2017–18, no employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £16,000 to £106,000 in 2018–2019 (2017–18, £15,000 to £101,000).

Chairperson, Chief Executive and Director Pension Entitlements (Audited)

The post of Chairperson is non-pensionable.

The pension entitlements of the Chief Executive and Directors are disclosed in the table below. 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.

	Real increase in pension earned in the year to 31/03/19	Real increase/ (decrease) in accrued lump sum in the year to 31/03/19	Total accrued pension at 31/03/19	Total accrued lump sum at 31/03/19	CETV at 31/03/19	CETV at 31/03/18	Real increase/ (decrease) in CETV
	£000	£000	£000	£000	£000	£000	£000
Justin Edwards Chief Executive	2.5–5	0–2.5	20–25	5–10	259	195	63
Leah Scott Director of Finance and Corporate Services	0–2.5	0–2.5	15–20	15–20	222	171	15
Margaret Farragher Director of Education	0–2.5	0–2.5	0–5	0–5	23	3	11
Richard Hanna Director of Education Strategy (Left 31 Aug 2017) Full Year Equivalent	–	–	–	–	–	811	–
Sheila McClelland Interim Director of Corporate Services, then Interim Director of Qualifications (Left 28 Feb 2018) Full Year Equivalent	–	–	–	–	–	26	–

Total remuneration is purely salary. It does not include severance payments, employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

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 Remuneration 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 10/2019.

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 the ratification of the salary for the Chief Executive, as proposed by the Chairperson of Council in line with the terms and conditions of the Chief Executive's post.

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.

Pension Schemes

Teachers' Superannuation Scheme

41 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 2018–19 are as follows:

Band	Actual Annual Pensionable Earnings (£)	Contribution Rates
1	up to 27,047.99	7.4%
2	27,048–36,410.99	8.6%
3	36,411–43,171.99	9.6%
4	43,172–57,216.99	10.2%
5	57,217–78,022.99	11.3%
6	78,023 and above	11.7%

In 2018–19, the employer's contribution rate was 17.7%, (17.7% in 2017–18)

Contributions for the year:	2018–2019	2017–2018
	£	£
Employer's	369,342	408,513
Employees'	211,973	235,214
Total	<u>581,315</u>	<u>643,727</u>

Northern Ireland Local Government Officers' Superannuation Committee Scheme

CCEA participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for 271 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 2018–19 are as follows:

Band	Pensionable pay (£)	Contribution rates
1	0–14,500	5.5%
2	14,501–22,100	5.8%
3	21,101–36,900	6.5%
4	36,901–44,700	6.8%
5	44,701–88,300	8.5%
6	more than 88,300	10.5%

In 2018–19, the employer's contribution rate was 19% (18% in 2017–18) plus a fixed deficit recovery contribution of £144,600, (£144,600 in 2017–18).

Contributions for the year:	2018–2019	2017–2018
	£	£
Employer's	1,604,106	1,465,570
Employees'	517,088	500,168
Total	<u>2,121,194</u>	<u>1,965,738</u>

National Employment Savings Trust

CCEA participates in the National Employment Savings Trust (NEST) for 277 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 2018–19 the employee contribution rate was 3% (1% in 2017–18) of pensionable pay, and the employer contribution rate was 2% (1% in 2017–18).

Contributions for the year:

	2018–2019	2017–2018
	£	£
Employer's	19,325	8,093
Employees'	22,986	6,474
Total	<u>42,311</u>	<u>14,567</u>

Staff Report

Average Monthly Number of Persons Employed (Audited)

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

	Permanent staff/FTC*	Temporary staff	Total 2019	Total 2018
Directly Employed	309	28	337	346
Total	309	28	337	346

*Fixed term contract

Staff Costs (Audited)

Staff costs comprise:

	Permanent staff/FTC* 2018–19	Temporary staff 2018–19	Total 2018–19	Total 2017–18
	£	£	£	£
Wages and salaries	9,967,800	579,994	10,547,794	10,701,567
Social Security costs	1,043,463	20,048	1,063,511	1,077,702
Pension costs	4,258,691	-	4,258,691	2,992,270
Reorganisation and Redundancy costs	192,591	-	192,591	466,313
Total	15,462,545	600,042	16,062,587	15,237,852

* Fixed term contract

Employee Sickness Absence

Average annual sickness absence for the reporting year from 1 April 2018 to 31 March 2019 increased from 9.6 days to 10.4 days per employee, due to an increase in long-term absence.

Short-term absence increased by 15.8%, from 897.5 days in 2017–18 to 1,039 days in 2018–19.

Off-Payroll Payments

CCEA made no off-payroll payments during the 2018–19 financial year.

Staff Composition

As at 31 March 2019, the Executive Team was made up of one male Chief Executive and two female Directors.

Of the remaining 319 employees, 178 are female while 141 are male.

The number of staff at each grade is shown below:

Grade	No. of Staff
Clerical Officer	52
Senior Clerical Officer	10
Executive Officer	54
Senior Executive Officer	48
Higher Executive Officer	52
Senior Administrative Officer	22
Senior Professional Grade	57
Programme Manager	12
Principal Officer	5
Business Manager	7
Director	2
Chief Executive	1

Consultancy Costs

We did not incur any consultancy costs in the financial year 2018–19.

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 2018–19

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)	1 (0)	1 (0)
£10,000–£25,000	0 (0)	2 (2)	2 (2)
£25,000–£50,000	0 (0)	1 (3)	1 (3)
£50,000–£100,000	0 (0)	2 (1)	2 (1)
£100,000–£150,000	0 (0)	0 (2)	0 (2)
£150,000–£200,000	0 (0)	0 (0)	0 (0)
Total number of exit packages	0 (0)	6 (8)	6 (8)
Total resource cost	£Nil (£Nil)	£189,077 (£452,331)	£189,077 (£452,331)

*Figures in brackets refer to 2017–18

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.

Assembly Accountability and Audit Report (Audited)

Remote Contingent Liabilities

CCEA does not have any material remote contingent liabilities in the 2018–2019 financial year.

Losses and Special Payments

The total value of CCEA's losses and special payments did not total more than £1,000 for 2018–19 financial year.

Gifts

CCEA adheres to the limits and rules laid out in its Management statement approved by the Department and the guidance in Managing Public Money Northern Ireland (MPMNI). There were no gifts made or accepted during the 2018–19 financial year that exceeded these limits. CCEA has a policy on Offers and the Acceptance of Gifts and Hospitality and a Gift Register

Fees and charges

CCEA's primary source of earned income comes from charges levied in relation to the provision of its examination functions. Charges are made for entering an examination, late or withdrawal fees, results enquiries and access to scripts. Charges vary on an examination type, level and module basis. A full range of charges is available via the Qualifications Administration Handbook on CCEA's website (see http://ccea.org.uk/sites/default/files/docs/qualifications/admin_help/handbook/charges_1819_v2.xlsx). Any proposal to alter charges must be approved by the Department of Education.

The Department of Education sets CCEA an earned income target annually as part of the budget setting process. The Department monitors this performance against the target monthly, via the Monthly Expenditure Monitoring Report. Actual earned income in any given year can fluctuate depending on a range of factors, including the number of examinations entered by candidates via examination centres, changes to centre demographics and market preferences. If CCEA earns more income than anticipated, it is required to bid for additional income, usually to offset against additional examinations costs linked to generating the additional income. If sales are less than anticipated, CCEA is required to make corresponding savings. CCEA's actual earned income for 2018–19 was £120k less than the final income target set by the Department. This was primarily due to lower than anticipated entries in the January and March examination series.

Signed:  Date: 28 June 2019

Justin Edwards, Chief Executive

Certificate and Report of the Comptroller and Auditor General

NORTHERN IRELAND COUNCIL FOR 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 Curriculum, Examinations and Assessment (or “CCEA”) for the year ended 31 March 2019 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, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of CCEA’s affairs as at 31 March 2019 and of CCEA’s net expenditure for the year then ended; and
- have been properly prepared in accordance with the 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 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.

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

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

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

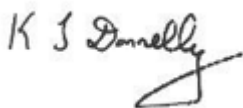
Matters on which I report by exception

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

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

Report

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

03 Financial Statements and Notes



Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Note	2018–2019 £	2017–2018 £
Income			
Other operating income	3	<u>(10,371,313)</u>	<u>(10,224,921)</u>
Expenditure			
Staff costs	4	16,062,587	15,237,852
Other operating expenditure	6	16,303,280	15,566,480
Depreciation	7	266,934	362,834
Amortisation	8	29,957	35,231
Total operating expenditure		<u>32,662,758</u>	<u>31,202,397</u>
Net operating expenditure		22,291,445	20,977,476
Finance expense	9	<u>267,000</u>	<u>268,000</u>
NET EXPENDITURE FOR THE YEAR (transferred to general reserve)	18	<u>22,558,445</u>	<u>21,245,476</u>

Statement of Other Comprehensive Net Expenditure

	Note	2018–2019 £	2017–2018 £
NET EXPENDITURE FOR THE YEAR (transferred to general reserve)		22,558,445	21,245,476
Net gain on revaluation of property, plant and equipment (in Revaluation reserve)	7 & 17	(1,021)	(10,005)
Net gain on revaluation of intangibles (in Revaluation reserve)	8 & 17	(286)	(1,220)
Actuarial gain in respect of pension liability	5.1c & 18	(2,408,008)	(1,147,012)
In-year pension adjustment	5.1c & 18	(752,707)	-
COMPREHENSIVE NET EXPENDITURE FOR THE YEAR		<u>19,396,423</u>	<u>20,087,239</u>

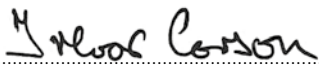
All amounts above relate to continuing activities.

The notes on pages 77 to 97 form part of these financial statements.

Statement of Financial Position at 31 March 2019

	Note	2018–2019 £	2017–2018 £
Non-current assets			
Property, plant and equipment	7	1,161,673	912,364
Intangible assets	8	3,820	33,491
Total non-current assets		1,165,493	945,855
Current assets			
Inventories	10	7,201	3,947
Trade and other receivables	11	2,092,100	2,103,984
Cash and cash equivalents	12	1,251,890	681,904
Total current assets		3,351,191	2,789,835
Total assets		4,516,684	3,735,690
Current liabilities			
Trade and other payables	13	(2,510,849)	(2,746,016)
Total current liabilities		(2,510,849)	(2,746,016)
Total assets less current liabilities		2,005,835	989,674
Non-current liabilities			
Provisions	14	(2,092,000)	(726,000)
Pension liabilities	5.1c	(9,086,000)	(11,123,760)
Total non-current liabilities		(11,178,000)	(11,849,760)
Total assets less total liabilities		(9,172,165)	(10,860,086)
Taxpayers' equity and other reserves			
Revaluation reserve	17	(37,781)	(39,088)
General reserve	18	(9,134,384)	(10,820,998)
Total equity		(9,172,165)	(10,860,086)

The financial statements on pages 73 to 76 were approved by the Council on 28 June 2019 and were signed on its behalf by:

Trevor Carson.....  Date 28/6/19
Chairperson

Justin Edwards.....  Date 28 June 2019
Chief Executive

The notes on pages 77 to 97 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 March 2019

		2018–2019	2017–2018
	Note	£	£
Cash flows from operating activities			
Net expenditure after interest		(22,558,445)	(21,245,476)
Adjusted for:			
Depreciation	7	266,934	362,834
Amortisation	8	29,957	35,231
Bad debt provision	11	(603)	321
Bad debts written off		3	9
IAS 19 pension costs*	5.1d	1,069,957	1,333,085
(Increase)/Decrease in inventories	10	(3,256)	865
Decrease/(Increase) in trade and other receivables	11	12,484	(134,225)
Decrease in trade and other payables	13	(235,167)	(272,666)
Increase in provisions	14	1,419,000	-
Net cash outflow from operating activities		(19,999,136)	(19,920,023)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(515,222)	(248,510)
Purchase of intangible assets	8	-	-
Net outflow from investing activities		(515,222)	(248,510)
Cash flows from financing activities			
Recurrent grants received	16	20,625,056	20,395,962
Capital grants received	16	459,288	131,753
Net inflow from financing activities		21,084,344	20,527,715
Net increase in cash and cash equivalents in the year		569,986	359,182
Cash and cash equivalents at 1 April 2018	12	681,904	322,722
Cash and cash equivalents at 31 March 2019	12	1,251,890	681,904

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

The notes on pages 77 to 97 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

Year ended 31 March 2019

	Note(s)	General Reserve £	Revaluation Reserve £	Total Taxpayers' equity £
Balance at 31 March 2017		(11,250,249)	(50,317)	(11,300,566)
Changes in taxpayers' equity 2017–18				
Comprehensive net expenditure for the year	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)
Changes in taxpayers' equity 2018–19				
Comprehensive net expenditure for the year	18	(22,558,445)	1,307	(22,557,138)
Actuarial gain in respect of pension liability	5	2,408,008	-	2,408,008
In-year pension adjustment	5	752,707	-	752,707
Recurrent funding	18	20,625,056	-	20,625,056
Capital funding	18	459,288	-	459,288
Balance at 31 March 2019		(9,134,384)	(37,781)	(9,172,165)

The notes on pages 77 to 97 form part of these financial statements.

Notes to the Financial Statements

Year ended 31 March 2019

1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the *2018–19 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 Prepayments

CCEA purchase copyright licences for exam paper content. Some of the licences permit CCEA to use the content over a period of time but only in one publication. Each exam paper is considered a publication. Instead of prepaying this type of copyright charge over the duration of the licence, CCEA match the expense to the period that the major benefit of the license is consumed.

1.10 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.

1.11 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.

1.12 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:

1.12.1 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.

1.12.2 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.

1.12.3 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 2019 and 2020 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

1.19 Contingency Liabilities

CCEA discloses contingent liabilities in accordance with IAS 37.

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 59). 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.

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 2019 is analysed as follows:

	Chief Executive	Education	Finance & Corporate Services	Total
	£(000s)	£(000s)	£(000s)	£(000s)
Expenditure	1,786	18,889	12,254	32,929
Income	(705)	(9,526)	(140)	(10,371)
Net expenditure after interest	1,081	9,363	12,114	22,558

3 OTHER OPERATING INCOME

	2018–2019	2017–2018
INCOME FROM ACTIVITIES	£	£
Research and development	126,501	28,111
Examination fees	9,471,135	9,381,633
Other activities	773,677	815,177
Income from activities is shown net of Value Added Tax (VAT)	10,371,313	10,224,921

4 STAFF COSTS

Staff Costs comprise:

	Permanent staff/FTC*	Temporary staff	Total	Total
	2018–2019	2018–2019	2018–2019	2017–2018
	£	£	£	£
Wages and salaries	9,967,800	579,994	10,547,794	10,701,567
Social Security costs	1,043,463	20,048	1,063,511	1,077,702
Pension costs	4,258,691	-	4,258,691	2,992,270
Reorganisation and Redundancy costs	192,591	-	192,591	466,313
Total	15,462,545	600,042	16,062,587	15,237,852

* 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

41 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 2018–19 are as follows:

Band	Actual Annual Pensionable Earnings (£)	Contribution Rates
1	up to 27,047.99	7.4%
2	27,048–36,410.99	8.6%
3	36,411–43,171.99	9.6%
4	43,172–57,216.99	10.2%
5	57,217–78,022.99	11.3%
6	78,023 and above	11.7%

In 2018–19, the employer's contribution rate was 17.7%, (17.7% in 2017–18)

Contributions for the year:	2018–2019	2017–2018
	£	£
Employer's	369,342	408,513
Employees'	211,973	235,214
Total	581,315	643,727

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 271 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 2018–19 are as follows:

Band	Pensionable pay (£)	Contribution rates
1	0–14,500	5.5%
2	14,501–22,100	5.8%
3	21,101–36,900	6.5%
4	36,901–44,700	6.8%
5	44,701–88,300	8.5%
6	more than 88,300	10.5%

In 2018–19, the employer's contribution rate was 19% (18% in 2017–18) plus a fixed deficit recovery contribution of £144,600, (£144,600 in 2017–18).

Contributions for the year:

	2018–2019	2017–2018
	£	£
Employer's	1,604,106	1,465,570
Employees'	517,088	500,168
Total	<u>2,121,194</u>	<u>1,965,738</u>

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

	2018–2019	2017–2018
	£(000s)	£(000s)
Present value of funded liabilities	(71,112)	(67,217)
Fair value of plan assets	62,026	56,091
Net underfunding in funded plans	(9,086)	(11,126)
Present value of unfunded obligations (Note 14)	(673)	(726)
Net liability – total non-current liability	<u>(9,759)</u>	<u>(11,852)</u>
Amounts in the statement of financial position		
Liabilities	(9,759)	(11,852)
Asset	-	-
Net liability	<u>(9,759)</u>	<u>(11,852)</u>

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

	2018–2019	2017–2018
	£(000s)	£(000s)
Opening defined benefit obligation	67,943	63,987
Current service cost	2,426	2,341
Past service cost	26	234
Interest cost	1,759	1,658
Contributions by members	512	502
Actuarial gains	183	255
Estimated unfunded benefits paid	(43)	(43)
Estimated benefits paid	(1,021)	(991)
Closing defined benefit obligation	71,785	67,943

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

	2018–2019	2017–2018
	£(000s)	£(000s)
Opening fair value of employer assets	56,091	52,322
Expected return on assets	1,492	1,390
Contributions by members	517	501
Contributions by employer	1,604	1,466
Contributions in respect of unfunded benefits	43	44
Actuarial gains	2,591	1,402
Unfunded benefits paid	(43)	(43)
Benefits paid	(1,021)	(991)
In-year pension adjustment	752	–
	62,026	56,091

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

	2018–2019	2018–2019	2018–2019	2017–2018
	Quoted	Unquoted	Total	Total
Equities	59.5%	0.0%	59.5%	71.4%
Bonds	23.5%	0.0%	23.5%	12.4%
Properties	0.0%	11.2%	11.2%	10.0%
Cash	2.7%	0.0%	2.7%	4.5%
Other	0.1%	3.0%	3.1%	1.7%

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

	2018–2019	2017–2018
Discount rate	2.5%	2.6%
Future salary increases	3.6%	3.5%
Future pension increases	2.1%	2.0%
Pension accounts revaluation rate	2.1%	2.0%
RPI Inflation	3.2%	3.1%
CPI Inflation	2.1%	2.0%

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

	2018–2019	2017–2018	2016–2017	2015–2016	2014–2015
	£(000s)	£(000s)	£(000s)	£(000s)	£(000s)
Fair value of employer assets	62,026	56,091	52,324	42,143	39,735
Present value of defined benefit obligation	(71,785)	(67,217)	(63,254)	(47,639)	(47,975)
Deficit	(9,759)	(11,126)	(10,930)	(5,496)	(8,240)
Experience adjustments on plan assets	2,591	1,402	7,477	(156)	3,077
Experience adjustments on plan liabilities	(91)	(256)	689	384	221
Actuarial gains/(losses) on employer assets	2,591	1,402	7,477	(156)	3,077
Actuarial (losses)/gains on obligation	(91)	(255)	(12,910)	3,602	(4,781)
Actuarial gains/(losses) recognised in statement of changes in taxpayers' equity	2,500	1,147	(5,433)	3,446	(1,704)

Sensitivity Analysis:

The approximate impact of changing the key assumptions on the present value of the funded defined obligation as at 31 March 2019 and the projected service cost for the year ending 31 March 2020 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)	69.588	72.700
% change in present value of total obligation	-2.2%	2.2%
Projected service cost (£M's)	2.449	2.615
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)	71.600	70.630
% change in present value of total obligation	0.7%	-0.7%
Projected service cost (£M's)	2.531	2.531
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)	72.207	70.035
% change in present value of total obligation	1.5%	-1.5%
Projected service cost (£M's)	2.615	2.449
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)	73.318	68.924
% change in present value of total obligation	3.1%	-3.1%
Projected service cost (£M's)	2.626	2.436
Approximate % change in project service cost	3.8%	-3.7%

* 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;

	2018–2019	2017–2018
	£	£
Current service cost	2,426,000	2,341,000
Interest on obligation and Expected return on assets	267,000	268,000
Contributions by employer	(1,604,106)	(1,465,570)
Contributions in respect of unfunded benefits	(44,947)	(44,345)
Past Service cost	26,000	234,000
Loss	<u>1,069,947</u>	<u>1,333,085</u>

e) **National Employment Savings Trust**

CCEA participates in the National Employment Savings Trust (NEST) for 277 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 2018–19 the employee contribution rate was 3% (1% in 2017–18) of pensionable pay, and the employer contribution rate was 2% (1% in 2017–18).

Contributions for the year:

	2018–2019	2017–2018
	£	£
Employer's	19,325	8,093
Employees'	22,986	6,474
	<u>42,311</u>	<u>14,567</u>

5.2 Early Departure Costs

Lump sum payments during the year relating to early departures amounted to £0 (2018 £0).

Annual costs relating to early departures in previous years that are met by CCEA currently amount to £44,947. These annual costs will continue in line with pension payments and are index linked.

	2018–2019	2017–2018
	£	£
Provision for liabilities and charges	673,000	726,000

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 OPERATING EXPENDITURE

	2018–2019	2017–2018
	£	£
Examiner and teacher costs	7,543,002	7,121,357
Premises and equipment	2,625,122	2,680,176
Supplies and services	3,031,053	2,879,795
Substitute teacher costs	1,399,472	1,391,067
Printing costs	1,014,405	900,013
Distribution costs	521,867	436,172
Transport and travel costs	153,391	143,898
Council fees and expenses	14,968	14,002
	<u>16,303,280</u>	<u>15,566,480</u>

CCEA's principal auditor is the Northern Ireland Audit Office (NIAO). The cost of audit work performed by the NIAO in 2018–2019 was £17,666.

7 PROPERTY, PLANT AND EQUIPMENT 2018–19

	Computer Hardware £	Computer Software £	Office Furniture and Equipment £	Plant and Machinery £	Vehicles £	TOTAL £
COST OR VALUATION						
At 1 April 2018	1,538,938	139,917	1,668,944	29,538	25,054	3,402,391
Indexation	3,170	39	(730)	556	538	3,573
Additions	411,197	82,740	21,285	–	–	515,222
Disposals	–	–	–	–	–	–
At 31 March 2019	1,953,305	222,696	1,689,499	30,094	25,592	3,921,186
ACCUMULATED DEPRECIATION						
At 1 April 2018	1,291,476	136,532	1,041,123	10,458	10,439	2,490,028
Indexation	1,515	12	530	222	272	2,551
Charge for year	144,330	4,079	111,686	1,769	5,070	266,934
Depreciation eliminated on disposal	–	–	–	–	–	–
At 31 March 2019	1,437,321	140,623	1,153,339	12,449	15,781	2,759,513
NET BOOK VALUE						
At 31 March 2018	247,462	3,385	627,821	19,080	14,615	912,364
At 31 March 2019	515,984	82,073	536,160	17,645	9,811	1,161,673

Property, plant and equipment have been re-indexed at 31 March 2019 using the indices from the Office for National Statistics, and the overall gain of £1,022 (2018: gain of £10,005) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2019.

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	912,364

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.

8 INTANGIBLE ASSETS 2018–19

	Software Licences £
COST OR VALUATION	
At 1 April 2018	357,444
Indexation	867
Additions	–
Disposals	–
At 31 March 2019	358,311
ACCUMULATED AMORTISATION	
At 1 April 2018	323,953
Indexation	581
Charge for year	29,957
Depreciation eliminated on disposal	–
At 31 March 2019	354,491
NET BOOK VALUE	
At 31 March 2018	33,491
At 31 March 2019	3,820

Intangible fixed assets have been re-indexed at 31 March 2019 using the indices from the Office for National Statistics and the overall gain of £286 (2018: gain of £1,220) after depreciation was transferred to the revaluation reserve. All intangible assets were owned by CCEA at 31 March 2019.

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 re-indexed 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.

9 OTHER FINANCE EXPENSE		
	2018–2019	2017–2018
	£	£
Interest on obligation and expected return on assets	267,000	268,000
	<u>267,000</u>	<u>268,000</u>

10 INVENTORIES		
	2018–2019	2017–2018
	£	£
Teaching aids	7,201	3,947
	<u>7,201</u>	<u>3,947</u>

11 TRADE AND OTHER RECEIVABLES		
	2018–2019	2017–2018
	£	£
Trade receivables (see note below)	391,408	54,054
Provision for bad debts	(1,698)	(1,095)
Other receivables	990	50,625
Prepayments and accrued income	1,701,400	2,000,400
	<u>2,092,100</u>	<u>2,103,984</u>

ANALYSIS OF TRADE RECEIVABLES		
	2018–2019	2017–2018
	£	£
Local Government	256,840	50,628
Central Government	124,112	1,002
Intra Government Balances	380,952	51,630
Bodies External to Government	10,456	2,424
	<u>391,408</u>	<u>54,054</u>

12 CASH AND CASH EQUIVALENTS		
	2018–2019	2017–2018
	£	£
Balance at 1 April	681,904	322,722
Net change in cash and cash equivalent balances	569,986	359,182
Balance at 31 March 2019	<u>1,251,890</u>	<u>681,904</u>
The Following balances at 31 March were held at commercial banks and cash in hand	2018–2019	2017–2018
	£	£
Cash and cash equivalents as in the statement of financial position	<u>1,251,890</u>	<u>681,904</u>

13 TRADE AND OTHER PAYABLES		
	2018–2019	2017–2018
	£	£
Amount falling due within one year:		
Trade payables (see analysis below)	-	21,977
Taxes and social security	337,813	314,441
Other payables	143,585	123,670
VAT	33,575	8,761
Accruals and deferred income	1,995,876	2,277,167
Total	2,510,849	2,746,016

ANALYSIS OF TRADE PAYABLES		
	2018–2019	2017–2018
	£	£
Central Government Bodies	-	-
Local Government Bodies	-	690
Intra Government Balances	-	690
Bodies External to Government	-	21,287
Total	-	21,977

14 PROVISIONS			
	Unfunded pension liability provision	McCloud/Sargeant and GMP provision	Provisions total
	£	£	£
Balance at 1 April 2018	726,000	-	726,000
Provided in the year	-	1,419,000	1,419,000
Provisions not required written back	-	-	-
Provisions utilised in the year	(53,000)	-	(53,000)
Balance at 31 March 2019	673,000	1,419,000	2,092,000
Analysis of expected timing of discounted flows:			
Later than 1 year and not after 5 years	149,556	1,419,000	1,568,556
Later than 5 years and not after 10 years	186,944	-	186,944
Later than 10 years	336,500	-	336,500
Total	673,000	1,419,000	2,092,000

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.

The McCloud/Sargeant judgement

In December 2018 the Court of Appeal ruled against the Government in the 'McCloud/Sargeant' judgement which found that the transitional protection arrangements put in place when the firefighters' and judges' pension schemes were reformed were age discriminatory. The ruling potentially has implications for all public sector schemes which were reformed around the same time and could lead to members who were discriminated against being compensated.

The transitional protections applied to all active members of public service schemes who were within 10 years of their Normal Pension Age on 1 April 2012. In relation to the LGPS (NI), all members were moved into the new 2015 Scheme, but members within 10 years of normal retirement were given an underpin (or 'better of both') promise, so their benefits would be at least as valuable in terms of amount and when they could be drawn than if they had remained in the 2009 Scheme. The Government has applied to the Supreme Court for permission to appeal this judgement.

If this appeal is unsuccessful, the case would be referred back to the Employment Tribunal to agree what the remedy would be following appropriate consultation. For the purpose of reporting a provision it would be prudent to assume the remedy would be equivalent to extending the 'best of both' underpin to all members.

The Government Actuary's Department (GAD), under instruction of the LGPS Scheme Advisory Board (England and Wales) was asked to calculate the worst case scenario impact at Scheme level, and in their paper titled "Local Government Pension Scheme Potential impact of McCloud/Sargeant ruling on pension accounts disclosures" dated 10 June 2019, they state, that for a salary increase assumption of CPI + 1.5% (as used for employers in the Northern Ireland Local Government Officer's Pension Fund), the worst case scenario impact will be a 3.2% increase in the active liabilities.

Based on the calculations outline in GAD's paper, Aon, as the Fund's actuary have provided a calculation of the approximate liability value in respect to the McCloud judgement to be £1.206M.

Should the government be unsuccessful in its application to appeal or if the Court of Appeal's judgement is upheld by the Supreme Court and the agreed remedy for the LGPS is to extend the 'underpin' protections to all members. This estimate is at Scheme level encompassing a range of different assumptions typically used by employers to report pension costs. The eventual impact on CCEA's accounts will depend on the remedy chosen by government to compensate members (which may not be the scenario modelled by the GAD); the membership profile (age/sex/salary) of CCEA's membership, and the assumptions used to report pension costs at time of recognition.

The estimated liability makes a number of simplifications including: assuming that all post-2012 joiners would be compensated; assuming members would receive 'better of both' the pre-2015 Scheme benefits and post-2015 Scheme benefits by the time they reach their pre-2015 normal pension age; assuming the underpin applies only to members on retirement, and not in the case of members voluntarily leaving the scheme before retirement, and assuming no compensation would be granted to employees who paid higher contribution rates whilst in the 2015 Scheme.

It is unknown what impact this will have on future employer contributions to the Fund. The Fund is a funded arrangement with employers paying contributions based on the results of regular local valuations, with the next valuation due as at 31 March 2019. Where an additional liability arises in the Fund in relation to past service this will result in increased employer contribution rates in the future. Employer contributions towards future service may also increase if the 'better of both' test is extended beyond members within 10 years of normal pension age at 1 April 2012.

However, legislation requires government to monitor and control the underlying costs of the Scheme (via the Cost Management process agreed as part of the reform of public service pension schemes). If the cost of the LGPS (NI), as monitored by HM Treasury under separate legislation, moves out of line with the envelope cost set when the Scheme was reformed, this could trigger amendments to member benefits, or contributions, to bring the cost to the Employer/taxpayer back into line. HM Treasury identified that changes to member benefits and contributions would be needed to increase the cost of the LGPS (NI) by 3.2% of pay as required under the cost management process. However, the Cost Management process across all of the public service schemes is currently on hold pending the outcome of the government's appeal to the McCloud judgement, so the net effect of both the McCloud judgement and the Cost Management processes is currently unknown. Further information is published by the LGPS Scheme Advisory Board on their website (<http://www.lgpsboard.org/index.php/structure-reform/cost-management>).

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. All of the public service schemes, including the LGPS (NI) were contracted out. Reforms to the State Pension system on 6 April 2016 removed the facility by which central government paid top-up payments to members with GMP who reached State Pension Age after that date. Before 6 April 2016 the LGPS (NI) was not required to pay full CPI increases on GMPs, so the top up payments had ensured that both state and scheme pensions, when combined, kept pace with inflation.

In March 2016 the government introduced an 'interim solution' which made the LGPS (NI) responsible for paying the full increases on GMPs for individuals reaching State Pension Age (SPA) from 5 April 2016 through 6 December 2018. This cost was accounted for in 2017.

In January 2018 Government extended the interim solution to individuals reaching SPA before 5 April 2021, passing further cost to the LGPS (NI). This has not yet been accounted for. Government policy is to fully index and equalise GMP pensions for men and women reaching SPA after 5 April 2021 but has not yet enacted this in legislation.

Separately, on 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs".

HM Treasury have responded to confirm that public sector schemes already have a method to equalise guaranteed minimum pension benefits (through the interim solutions and commitment to pay full increases on GMPs) and they do not plan to change their method as a result of that judgment.

Aon, as the Fund's actuary has estimated that the potential IAS 19 / FRS102 accounting liability of full GMP indexation (and equalisation) for members reaching State Pension Age from 6 December 2018 to be in the region of 0.3% of the defined benefit obligation. This estimate has been calculated for a typical LGPS Fund (in England and Wales, but this is still comparable to the LGPS (NI)) and is indicative of an additional liability for a typical employer and does not reflect the individual characteristics of CCEA's membership. Costs could be higher for employers with a membership that is older than average (who predominantly accrued service between 1978 and 1997 when GMPs were being accrued).

Aon, as the Fund's actuary has estimated the additional liability to be included as a provision as £0.213M. The Fund is a funded arrangement with employers paying contributions based on the results of regular local valuations, with the next valuation due as at 31 March 2019. The 2019 valuation of the Fund is expected to include the liability of the second interim solution to April 2021. It is currently not known if the 2019 valuation will allow for indexation beyond 2021, as this will depend on the timing of any Scheme changes announced by HM Treasury and the Committee's policy on reflecting this risk within contribution rates. Where an additional liability arises in the Fund in relation to past service this will result in increased employer contribution rates in the future.

15 LEASE COMMITMENTS

OPERATING LEASES

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

Obligations under operating leases for the following periods comprise	2018–2019	2017–2018
	£	£
Buildings		
Not later than one year	1,051,800	1,051,800
Later than one year and not later than five years	1,250,400	2,302,200
Later than five years	–	–
	<u>2,302,200</u>	<u>3,354,000</u>

16 DEPARTMENT OF EDUCATION GRANTS IN AID

	2018–2019	2017–2018
	£	£
Recurrent grants in aid	20,625,056	20,395,962
Capital grants in aid	459,288	131,753
	<u>21,084,344</u>	<u>20,527,715</u>

17 REVALUATION RESERVE

	2018–2019	2017–2018
	£	£
At 1 April 2018	(39,088)	(50,317)
Indexation	1,307	11,229
At 31 March 2019	<u>(37,781)</u>	<u>(39,088)</u>

18 GENERAL RESERVE

	2018–2019	2017–2018
	£	£
At 1 April 2018	(10,820,998)	(11,250,249)
Net expenditure for the year	(22,558,445)	(21,245,476)
Actuarial gain	2,408,008	1,147,012
In-year pension adjustment	752,707	–
Recurrent grants in aid (Note 16)	20,625,056	20,395,962
Capital grants in aid (Note 16)	459,288	131,753
At 31 March 2019	<u>(9,134,384)</u>	<u>(10,820,998)</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 CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

CCEA has the following contingent liability.

Court of Appeal judgment on backdated PSNI Holiday Pay:

On 17th June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

21 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 and 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, DfE, Northern Ireland Assembly, CCMS, FE Colleges and Universities, NI Water Limited, Land & Property Services and Department of Finance. During the year, none of the Council 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 and the table below. A register of members' interests is available and can be inspected on application to the Chief Executive's Office.

Related Party Disclosures from CCEA's Council members			
Council Member	Related Party	Position held in Related Party	CCEA's Transactions with Related Party 2018–19
Member of Finance, Remuneration and Education Committees	Ballyclare Secondary School	Member of Board of Governors and Chair of Finance Committee	£58,083 Examinations income
	Ballyclare High School	Member of Board of Governors and Chair of Premises Committee	£82,495 Examination income; £324 Expenditure for hire of facilities
	Stranmillis College	Member of Governing Body, Chair of Education Committee and Member of Finance & General Purposes Committee	£15,579 Expenditure for hire of facilities and teacher release payments
Member of Audit Risk and Assurance and Education Committee	Belfast Metropolitan College	Member of Governing Body	£66,609 Examination income; £71,995 Expenditure for hire of facilities and teacher release payments
Member of Audit Risk and Assurance Committee	Belfast Metropolitan College	Member of Governing Body	£66,609 Examination income; £71,995 Expenditure for hire of facilities and teacher release payments

22 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.

23 EVENTS AFTER THE REPORTING PERIOD DATE

There were no non-adjusting events after the reporting period date.

The Council's Accounts were approved on the 28 June 2019 by the Chairperson and Chief Executive and authorised for issue on the 5 July 2019.

Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright holders may have been unsuccessful and CCEA will be happy to rectify any omissions of acknowledgement in future if notified.

ISBN Number
978-1-84639-157-6



INVESTORS
IN PEOPLE | Silver



