



**Annual Report and Accounts  
for the Year Ended 31 March 2021**

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Education Act (Northern Ireland) 2014 by the Department of Education on

Wednesday 17 August 2022

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## CONTENTS

<b>PERFORMANCE REPORT</b>	
Overview	
Chief Executive's Foreword	1
Chairperson's Reflection	2
About the Education Authority	3-4
Principal Risks and Uncertainties	5
Equality Statement	6
Rural Needs	7
Going Concern Statement	8
Performance Report Summary	9-13
Performance Report Analysis	14-24
Sustainability Report	25-27
<b>ACCOUNTABILITY REPORT</b>	
Corporate Governance Report	
Directors' Report	28-33
Statement of the Education Authority and Chief Executive's Responsibilities	34
Governance Statement	35-64
Remuneration and Staff Report	
Remuneration Report	65-72
Staff Report	73-83
Assembly Accountability Report	84-86
The Certificate of the Comptroller and Auditor General to the NI Assembly	87-91
<b>FINANCIAL STATEMENTS</b>	
Statement of Comprehensive Net Expenditure for the year ended 31 March 2021	92
Statement of Financial Position as at 31 March 2021	93
Statement of Cash flows for the year ended 31 March 2021	94

## CONTENTS

Statement of Changes in Tax Payers Equity for the year ended 31 March 2021	95
Notes to the Financial Statements	96-138
<b>REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY</b>	
	139-140
<b>GLOSSARY OF TERMS</b>	
	141-142

## PERFORMANCE REPORT - OVERVIEW

### Chief Executive's Foreword

I am pleased to present the Education Authority's (EA) Annual Report and Accounts for 2020/21. It has truly been a year like no other and I want to begin by paying tribute to all staff in schools, Education Other Than at School (EOTAS) settings, youth settings and throughout all EA services for the dedication, adaptability, stamina and innovation they have shown over the past 12 months.

When lockdown was announced in March 2020, the education sector was thrust into the unknown and had to adapt quickly to a new world of remote learning and service delivery.

Our school leaders, teaching and non-teaching staff, governors, EA staff and partners were not found wanting. Practically overnight, the education sector had to transform how it supported children and young people.

Many EA staff worked from home to continue to deliver our services as the 'stay at home' message resounded through homes and workplaces. ICT capabilities were enhanced for those working from home, while some staff continued to attend their workplace in order to provide critical support to schools, parents and young people.

The EA Chairperson has highlighted some of the key contributions of EA services on the next page and I echo his thanks and admiration for those staff who continued to go above and beyond the call of duty over the past year.

I would also like to thank those staff who progressed key initiatives and objectives despite challenging circumstances.

The 'EA HealthWell Hub' was fast-tracked to meet the needs of staff during the early stages of the COVID-19 pandemic period and a comprehensive Health and Wellbeing programme was delivered with particular reference to minimising the effects of COVID-19.

A cross-directorate group was established to streamline the placement of children with special educational needs (SEN) in special schools and specialist settings. This group has successfully focussed on clearing the backlog of SEN referrals and ensured new referrals are progressed at pace and within the statutory timeframe.

This year two staff networks were launched – EA LINK and EA GLEAM. EA LINK is a disability and carers staff network and GLEAM is a welcoming space for LGBTQ+ employees and friends. We strive to make EA a great place to work and I thank all staff for their efforts.

Finally, I would like to recognise the huge contribution that former EA Chairperson Sharon O'Connor has made to education over the past five years. In that time Sharon has ensured that children and young people are at the heart of everything we do. As we continue to operate in a 'new normal', our focus will continue to be on the young people whose lives are directly or indirectly affected by the services we provide.



**Sara Long**

**Chief Executive**

## PERFORMANCE REPORT - OVERVIEW

### Chairperson's Reflection

I am pleased to present my first EA Annual Report and Accounts since taking up the role of EA Chairperson at the start of January 2021. I have watched with immense pride over the past year how the education sector has come together in the face of the unprecedented challenges posed by the COVID-19 pandemic.

Having spent my working life in the education sector, I was not surprised by the adaptability and resourcefulness of staff in schools, youth settings, and throughout EA and its partner organisations who collectively put their shoulder to the wheel to support children and young people throughout the COVID-19 pandemic.

From supporting schools to stay open in the early days of the COVID-19 pandemic to enable the children of key workers to attend, to rolling out the COVID-19 testing programme in special schools and post-primary schools, staff throughout EA have indeed risen to the challenges of the past year.

Staff in critical services adapted their delivery practices to ensure children and young people continued to be supported, while staff in non-critical services put their hands up to be redeployed in other areas. Some of those non-critical services helped EA Youth Service in facilitating the distribution of 67,000 meals to 5,000 young people over a four-month period from April-August 2020 through the Eat Well, Live Well programme. Likewise, staff from all services worked in the Operations and Contact Centre which was established to provide advice and support to schools, initially operating seven days a week from 8 am to 8 pm.

Colleagues in the School Development Service worked with the Department of Education (DE) on the 'Lending Digital Devices to Pupils' scheme which supported pupils who did not have a digital device at home. By the end of March 2021, 20,523 devices had been allocated.

I have picked just a few examples of the work of EA officers throughout the COVID-19 pandemic and I thank every one of them for their commitment in these most challenging times. I also thank our school leaders, teachers and support staff in schools for their dedication, flexibility and resilience during this period.

Finally, I would like to pay tribute to my predecessor Sharon O'Connor who led EA from its inception in April 2015. EA was formed by the amalgamation of the five Education and Library Boards which had overseen education support services in Northern Ireland since 1973. EA's responsibilities are complex and wide-ranging and the transition from five boards into a single authority was never going to be an easy one. Sharon delivered the highest standards of corporate governance and strategic leadership throughout this transition and I aim to continue that journey towards a truly regional authority that delivers world class education support services for all our children and young people.



**Barry Mulholland**

**Chairperson**

## PERFORMANCE REPORT - OVERVIEW

### About the Education Authority

The performance overview provides a summary of the role of EA and its purpose, EA's strategic priorities and corporate objectives, the key risks faced by EA and a financial review. A detailed appraisal of EA's performance is provided in the Performance Analysis section.

### BACKGROUND

EA was established on 1 April 2015 under the Education Act (Northern Ireland) 2014. It replaced the five legacy Education and Library Boards (ELBs) – Belfast ELB, Southern ELB, South Eastern ELB, North Eastern ELB and Western ELB, and their Staff Commission, as a regional authority with responsibility for the delivery of education services in Northern Ireland.

EA is a non-departmental public body sponsored by the Department of Education (DE) and the Department for the Economy (DfE), responsible for ensuring that efficient and effective primary and secondary education and educational services are available to meet the needs of children and young people and for ensuring the provision of efficient and effective youth services.

EA's duties and responsibilities include:

- providing a wide range of functions for the funding and delivery of local education and youth services;
- ensuring there are sufficient schools providing primary and post-primary education to meet the needs of all the people in Northern Ireland;
- providing all the finance for controlled schools (i.e. grant-aided schools under the direct control and management of EA);
- equipping, maintaining and meeting other running costs of maintained schools (i.e. grant-aided schools which are not under the direct control and management of EA);
- providing milk and meals, free books, and free transport for eligible pupils;
- enforcing school attendance;
- providing a curriculum advisory and support service to all schools; and
- securing the provision of youth service facilities.

EA has an annual budget of over £2 billion. It is Northern Ireland's biggest employer with over 40,000 whole time equivalent staff employed throughout 2020/21. As the employing authority for teachers in controlled schools, EA is responsible for the management of the teaching appointments processes for teachers and principals and provision of learning and development opportunities for teachers.

In addition, EA has duties in relation to Shared Education and the community use of school premises and in April 2016 EA subsumed the Youth Council for Northern Ireland (YCNi) and became the funding authority for voluntary grammar and grant-maintained integrated schools.

EA operates from five main offices in Armagh, Ballymena, Belfast, Dundonald and Omagh, with the Chief Executive based in Academy Street Belfast. As a result of the ongoing COVID-19 pandemic, EA staff worked from home where possible during the 2020/21 financial year, in line with Public Health guidance.

## PERFORMANCE REPORT - OVERVIEW

### About the Education Authority

#### OUR VISION

To 'Inspire, support and challenge all our Children and Young People to be the best that they can be'.

#### OUR MISSION

To provide a high quality education for every child.

#### OUR VALUES

##### Openness

We will promote a culture of openness and will be transparent and honest in our dealings with the public, our partners and colleagues.

##### Respect

We will listen to and respect those we serve, as well as each other and will recognise effort, achievement and contribution.

##### Reflection

We will be a learning organisation, reflecting and taking on board the lessons learned from our own experiences and from comparable organisations.

##### Responsibility

We will act responsibly and acknowledge that our actions will impact on others. We will be helpful, conscientious, reliable and accountable for all our actions.

##### Excellence

We will strive for quality in everything we do. We will behave professionally and take pride and ownership for everything we say and do.

##### Equality

We will promote equality of opportunity through our employment practices, service delivery and engagement activities.

#### STRATEGIC PRIORITIES

Meeting the **learning needs** of our children and young people

Providing **excellent** education support services

Developing **all our people** to carry out their jobs successfully

Managing our **resources** effectively and efficiently

**Nurturing leadership** across EA to give clear direction in a dynamic and complex environment.



## PERFORMANCE REPORT - OVERVIEW

### Principal Risks and Uncertainties

The Corporate Risk Register reflects how the Chief Executive, supported by Directors, strategically managed risks associated with:

- achieving continuity of learning for children and young people;
- comprehensively transforming Special Educational Needs and Disability (SEND) services to children and young people across Northern Ireland (NI);
- delivering a balanced resourced budget;
- delivering strategic projects in appropriate timeframes to ensure continuity of service; and
- managing EA's continuity of services during the COVID-19 emergency.

The Corporate Risk Register, which was aligned to DE's Corporate Risk Register, was regularly updated during the period under review and was presented to the Audit and Risk Assurance Committee (ARAC) at each quarterly meeting and shared with DE at each Governance and Accountability Review (GAR) meeting.

DE has reviewed the EA Corporate Risk Register and made some recommendations which have been implemented. The EA Corporate Risk Register fully complies with DE's recommended format and practice, and key risks to the achievement of business objectives have been identified. Risks and management actions to mitigate risks are a standing item on the agenda for the ARAC quarterly meetings. Some EA key risks remain high and are kept under close review.

## PERFORMANCE REPORT - OVERVIEW

### Equality Statement

The EA Equality Scheme is a statement of EA's commitment to fulfil its statutory obligations in compliance with Section 75 and Schedule 9 of the NI Act 1998. This Act places a duty on EA to promote equality of opportunity and good relations.

The COVID-19 pandemic placed particular strains on EA over the 2020/21 business year with a sharp move to remote and home working required. EA has placed equality as a core value for EA and, as such, ensures equality is central to everything that it does. During 2020/21, in the context of the COVID-19 pandemic, EA has continued to take steps to promote equality and to engage and empower stakeholders (both internal and external) to be involved in shaping the delivery of EA services as EA continues to move forward and transform. Equality considerations were central to all decision making during the COVID-19 pandemic.

EA continues to strive to be an employer of choice, based on values of respect and equality. EA is keen to attract and retain the best talent to ensure it delivers the best outcomes for all children and young people.

During the last year, EA continued the emphasis on enhancing staff knowledge and capacity around equality, diversity and inclusion, across all parts of EA. Due to the COVID-19 pandemic, this training moved to a virtual format. EA trained 160 people including EA staff, Principals, Board of Governors and Education partners.

As part of the EA Gender Action Plan, in partnership with Trade Union colleagues and through staff engagement, EA developed a new workplace Menopause Policy for staff. This was launched with weeklong events to raise awareness of menopause and increase staff / line manager capacity to support colleagues experiencing symptoms of menopause.

The EA Staff Networks continued to meet remotely during the year and EA GLEAM, the LGBT Staff Network, participated in virtual Belfast Pride by producing a video and awareness materials for staff. The EA LINK Network; EA's Disability and Carers Staff Support Network developed awareness materials for staff and delivered a number of 'Lunch and Learn' sessions online for staff around reasonable adjustments.

During 2020/21, EA also established a dedicated service to support staff with disabilities. The Disability Employment Support Service works to support staff and line managers to ensure that colleagues with a disability, or those who acquire a disability, are supported with appropriate reasonable adjustments in a timely manner.

A new service was also introduced for deaf or hard of hearing sign language users to have instant access to schools and EA services without the need to book an appointment and having an in person interpreter. InterpretNOW is a video service connecting deaf and sign language users to an interpreter and EA employee.

EA also worked with school leaders and colleagues in developing a range of support materials and tools to assist them in demonstrating that they have an ethos and culture of inclusion. A model Diversity and Inclusion Policy, a self-audit and a child friendly model Diversity and Inclusion Policy were published for use by schools, to support them in meeting the Education and Training Inspectorate (ETI) requirement that schools demonstrate a diverse ethos.

## PERFORMANCE REPORT - OVERVIEW

### Rural Needs Statement

The Rural Needs Act (NI) 2016 provides a statutory duty on public authorities to have due regard to rural needs when developing, adopting, implementing or revising policies, strategies and plans, and when designing and delivering public services. The Rural Needs Act (NI) 2016 (the Act) came into operation for government departments and councils on 1 June 2017 and for the remaining public authorities, including EA, on 1 June 2018.

In meeting its obligations, rural needs assessments, as part of the overall equality screening documentation, are now undertaken by policymakers within EA. Details of these assessments can be found on the EA website ([www.eani.org.uk](http://www.eani.org.uk)) and are published within the second DAERA (Department of Agriculture, Environment and Rural Affairs) Rural Needs Annual Monitoring Report 2020/21.

EA Equality Unit continues to provide support to EA senior officers in ensuring the needs of people living in rural communities are considered when making decisions and delivering EA services. During 2020/21, training sessions with a focus on rural needs have been integrated into mainstream equality screening, training and guidance tools.

## PERFORMANCE REPORT - OVERVIEW

### Going Concern Statement

Management has reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis from a number of standpoints.

The Education Act (NI) 2014 established EA from 1 April 2015 as a regional authority with responsibility for the delivery of education, thereby dissolving the five legacy ELBs – BELB, SELB, SEELB, NEELB and WELB - and the Staff Commission. EA is an Executive Non-Departmental Public Body (NDPB) sponsored by DE and DfE, funded by supply grants from the Northern Ireland Consolidated Fund.

In planning the continued delivery of EA's statutory functions and responsibilities, it is expected EA will continue to be funded for the foreseeable future from the Northern Ireland Consolidated Fund via DE and DfE. As such there is no significant impact on applying the going concern basis in preparing the annual report and financial statements, from a funding perspective.

The EA's Statement of Financial Position as at 31 March 2021 notes a Total Surplus Net Equity of over £993m, with Total Assets of over £2.33bn. EA's most significant non-current liability relates to future Pension liabilities of £942m, which are expected to become due to staff on retirement in future years. The future pension liability is estimated annually by an independent Actuarial Expert and based on a number of assumptions. Further detail is provided within the Accountability Report - Remuneration and Staff Report.

As EA's Total assets exceed liabilities owed as at 31 March 2021, it has accordingly been considered appropriate to adopt a going concern basis.

EA has also assessed the impact of COVID-19 and of the UK's withdrawal from the EU on delivery of services and outcomes in the financial year 2020/21. Whilst it is acknowledged that such events have, and continue to have an impact on the level and type of EA services delivered, EA considers the going concern basis to continue to apply on the basis that EA services are legislatively required by the Education Act (NI) 2014.

The Corporate Leadership Team will continue to keep under regular review the impact of COVID-19 and implications of the UK's withdrawal from the EU on EA's services.

## PERFORMANCE REPORT - SUMMARY

### EA Business Plan

EA's Business Plan for 2020/21 included the following corporate objectives:

- Continuity of EA Services and Implementation of EA Restart;
- Continuity of Learning and Support for Education Restart;
- The Improvement of SEN Services;
- Progression of Transformation and Recovery;
- Progression of Corporate Performance Improvement Process; and
- Delivering Progress against other major Strategic Objectives

### **KEY THEMES PROGRESSED THROUGH 2020/21**

#### **COVID-19 RESPONSE**

In 2020/21 it was essential for EA to transform the way it delivered its critical services in order to meet the challenges presented by the COVID-19 pandemic that hit in March 2020. From the outset, EA operated under a full schedule of daily meetings and a daily reporting structure, in order to identify the needs of children and young people, their families and schools and to take decisive action to meet those needs. EA continued to stand up critical services during lockdown by adapting service delivery through digitisation where possible, enabling staff to work from home or by key workers continuing to attend the workplace in accordance with Public Health Authority (PHA) guidance, in order to carry out their duties.

EA developed and implemented an Education Restart Plan, in line with DE's Education Restart Strategy, in order to facilitate and support the restart of the education system in a safe and effective way in August 2020 following the first lockdown during March – June 2020. EA established sub-groups to deliver work-streams including Physical Protection, the New Normal, Well-Being, SEN Services, Standards and Learning, Business Continuity and Lessons Learned. Arrangements were implemented with appropriate guidance for the new school day so that educational settings were open to safely receive children and young people and staff, as well as educational support services such as transport and catering. EA's Health & Well-Being Programme promoted health interventions to support the wellbeing of Teaching and Non-Teaching staff and to support Schools and EA Services to restart and operate under the new working arrangements. The Teacher Professional Learning Programme specifically targeted schools' needs through Education Restart to ensure continuity of learning and delivery of the curriculum, and to support teachers to develop a blended approach to learning and make use of a range of online tools.

Throughout Education Restart, EA monitored the impact of COVID-19 on schools, youth services and educational settings and modified its approach in order to continue to provide support and deliver essential services. Having successfully facilitated the return to educational settings in August 2020, a new programme called "Education Through COVID-19" (ETC) was commenced in November 2020. ETC has built on the work carried out under the Education Restart plan by continuing to support schools and EA services to facilitate continuity of learning, safe and effective educational settings and promoting health and well-being for staff and children and young people. It established three work-streams to fulfil this aim:

- Supporting Continuity of Learning and Well-Being Through COVID-19;
- Supporting Schools, Educational Settings and EA Services through COVID-19; and

## PERFORMANCE REPORT - SUMMARY

- Planning Service Delivery through COVID-19.

The ETC programme has operated under a robust governance and reporting structure to enable continuous monitoring and discussion of the impact of COVID-19 on educational settings and EA services and has enabled EA to identify the needs of schools and children and young people in order to adapt delivery of its services and to provide support where required. During the second lockdown period in January – March 2021, ETC continued to support educational settings and youth organisations with particular focus on vulnerable children and young people. A fourth work-stream – Supporting Vulnerable Children and Young People, was initiated in January 2021 to oversee this work.

Significant work has been undertaken to support special schools in addition to mainstream schools, with a designated team assigned to support each special school.

### **Support for Schools**

In dealing with the COVID-19 pandemic, and particularly in the initial stages where schools, children and young people and their families were plunged into uncertainty as to how continuity of education could be maintained, EA strived to keep lines of communication in place in order to listen to the needs of children and young people and schools and to provide support where possible.

An EA Operations & Contact Centre (OCC) was established to provide advice and support to schools and to handle incoming calls in a time of uncertainty and ambiguity around the COVID-19 crisis, initially operating seven days a week 8am to 8pm. Recurrent queries handled by the OCC informed FAQs and guidance made available on the EA website. After the initial crisis period, the centre was stood down and a services' hunt group set up where incoming calls to a single phone number were automatically distributed to the relevant extension numbers within EA.

A Link Officers Model was established to provide support to school principals and teachers through COVID-19 to facilitate continuity of learning. All schools continue to have access to a named support officer to provide timely and effective high quality support and guidance.

### **Key Statistics:**

- From 21 March to 17 April 2020, 581 calls were handled by the Operations & Contact Centre with over 200 calls on Saturday 21 March 2020. Webpages providing COVID-19 related guidance were viewed 77,205 times in March 2020.
- The Education Restart webpage was updated to "COVID-19 FAQs and Guidance" providing FAQs applicable to schools to include Procurement, Transport, Information Governance, Cleaning, Children and Young People Services (CYPS), Health and Safety, etc. Links to DE guidance were also included. From 10 August 2020 to 31 March 2021 this webpage was viewed 38,901 times.
- A Supporting Schools with Confirmed Cases of COVID-19 webpage was set up to support any school with a confirmed case of COVID-19. It included a management flowchart, confirmed case pro-forma, and an exemplar template letter. From 10 August 2020 to 31 March 2021 this webpage was viewed 10,923 times.

## PERFORMANCE REPORT - SUMMARY

- An Information for Educational Settings webpage was set up for resources to be made available for educational settings. From 10 August 2020 to 31 March 2021 this webpage was viewed 39,113 times.
- 100% of schools had an option to have hot meals provided from the start of term.
- An EA transport call centre was established during 19 August 2020 to 11 September 2020 - 11,959 calls handled, average wait time 24 seconds, average call duration 2m 33 seconds.

### **Maintaining Delivery of Time Critical Services**

During lockdown periods, EA staff of critical services ensured service delivery was maintained by attending the workplace as key workers. Particularly where service delivery is heavily reliant on administrative processes, staff attended the workplace to complete admissions, student finance, SEN Statementing, payroll and invoicing processes. A Procurement Distribution Centre was set up in April 2020 in order to source and establish a supply chain of essential goods and services, including the provision of appropriate Personal Protective Equipment (PPE), and establish a co-ordinated response to EA corporate, schools and other educational settings.

#### **Key Statistics:**

- Monthly payroll to over 30,000 staff;
- Supplier payments of over 110,000 invoices over six months (March to September 2020);
- 23,851 pre-school and primary applications received and 100% successfully processed by 28 April 2020;
- 23,888 post primary applications received and 100% successfully processed by 03 June 2020; and
- The percentage of SEN statements completed in under 26 weeks increased from 14% in March 2020 to 78% in March 2021.

### **Nutritional & Dietary Health of Children and Young People (CYP)**

EA continued to maintain the nutritional and dietary health of CYP, where possible, during the COVID-19 pandemic. The payment of allowances to families, in lieu of the provision of free school meals (FSM), was created and implemented in April 2020. This support continued into the summer until school meals could be made available at the beginning of the new school year and over the October mid-term, Christmas and Easter school breaks. The payments were again resumed for the January to March term 2021 when school closures were again announced under lockdown measures. The 'Eat Well Live Well' programme (EWLW) was delivered until the end of August 2020, providing breakfast and lunch, Monday to Friday, to the most vulnerable young people within EA communities.



## PERFORMANCE REPORT - SUMMARY

### Key Statistics:

- 56,431 families paid successfully for FSM allowances up to 30 June 2020;
- 55,187 families paid successfully for Food Summer Scheme allowances up to 31 August 2020; and
- 5,093 young people supported through EWLW programme with over 677,640 breakfast and lunches provided up to the end of August 2020.

### **Continuity of Learning for Children and Young People (CYP)**

EA delivered a programme for placement of children of key workers and vulnerable children during lockdown. A dashboard was created for families to provide a visual representation of the status of schools in NI, specifically showing schools open to receiving vulnerable pupils and those of key worker children.

### Key Statistics:

- Over 10,000 views in total, averaging 110 views per day, with peak daily usage of 1,021 views.

EA facilitated continued availability of education, continuity of learning and provided accessibility to online learning resources and support materials for CYP and schools including those with Special Educational Needs (SEN), particularly during periods of school closures due to lockdown. EA's Pupil Support Services delivered an extensive suite of resources and videos were made available on EA's website to provide support for children with SEN. The number of views of EA website pages (10 August 2020 – 31 March 2021) broken down by CYP services is as follows:

<b>EA Webpage</b>	<b>Views</b>
Autism Advisory Intervention Service	19,753
Early Years Inclusion Service	12,626
Pupil Support Services	6,936
Literacy Service	7,189
SEN Inclusion Service	4,314
Language and Communication	3,913
Transition	1,191
Sensory Service	3,343

EA worked with DE to deliver the 'Lending Digital Devices to Pupils' scheme to support eligible pupils who did not have sufficient access to a device at home.

### Key Statistics:

- Up to 31 March 2021, 20,523 devices had been allocated to pupils in the priority year groups 14, 12, 7 and 4 and also to pupils in Year 11, 13, 10, 6, and 3. 10,500 additional devices were purchased in February 2021, with 9,464 allocated by 31 March 2021. EA continued to allocate and deliver the remaining amount in April 2021.



## PERFORMANCE REPORT - SUMMARY

- A further 7,200 devices have been purchased for allocation (including 3,664 devices for the primary refresh).
- 6,945 WiFi Vouchers and 2,282 MiFi units were allocated to eligible pupils to support their learning.
- Negotiations completed in March 2021 with 7 mobile service providers to provide free data upgrades for families with CYP self-isolating or home-learning in the event of a further lockdown.

### ICT Provision

ICT provision was increased and enhanced, to maintain the delivery of EA services including remote working capabilities, collaboration tools, device provision, network capability, and associated support. During the month of April 2020 the ICT service fielded approximately 4,000 calls, built 400 laptops, increased network capacity, increased Telephony Capacity, and completed the rollout of a teleconferencing solution. By the end of July 2020 ICT had provided over 1,000 devices including laptops and Wi-Fi enabled PCs, and facilitated remote working capability for over 2,000 staff. By the end of September 2020, Microsoft (MS) Teams was rolled out with dedicated training materials, improving the quality of meetings, communications between staff and remote management. Key worker IT staff attended the workplace, in accordance with Public Health Agency (PHA) guidelines, to provide support throughout lockdown with provision peaking at over 10,000 calls per month. The ICT service continues to monitor and improve remote working capabilities.

#### Key Statistics:

- Over 3,000 new users of MS Teams, over 350,000 MS Teams calls and over one million MS Teams interactive chat sessions in 2020/21.

### Health & Well-Being (H&WB)

EA continued to deliver a Health and Wellbeing programme of work in line with the EA H&WB Strategy, with particular reference to minimising the effects of COVID-19. Overall 180 health and wellbeing sessions/ initiatives/ campaigns have been provided online for EA staff. The development of the EA HealthWell Hub was fast-tracked in late March 2020 to meet the immediate needs of staff during the early stages of the COVID-19 pandemic period.

#### Key Statistics:

- The EA HealthWell Hub now has over 19,000 users and 36,000 active sessions since inception;
- Over 87,500 programme related views (over 60,000 unique views); and
- Increased catalogue of pre-recorded sessions to 22 distinct courses.

## PERFORMANCE REPORT - ANALYSIS

### Educational Performance

In light of the impact of the COVID-19 pandemic, the Minister agreed that statutory assessment arrangements would be completely suspended for 2019/20 and 2020/21. Key Stage 1-3 assessment data for 2019/20 and 2020/21 are therefore not available.

In addition, the Minister agreed that the Summary of Annual Examination Results (SAER) process would be suspended for those years as well. The GCSE and A Level figures for 2019/20 and 2020/21 are therefore not available.

### NI Key Stage 1, 2 and 3

#### Educational Performance for Academic Years 2013/14 to 2018/19

(NI average levels of progression in Communication, Using Maths, and Using IT)

% pupils achieving the expected level			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Key Stage 1</b> (Age 6 to 8)	Level 2+	Communication (English)	91.1%	88.7%	87.5%	88.2%	86.8%	86.9%
		Using Maths	92.2%	90.3%	88.4%	89.3%	88.0%	88.8%
		Using IT	-	-	-	89.9%	89.9%	88.3%
<b>Key Stage 2</b> (Age 8 to 11)	Level 4+	Communication (English)	79.8%	76.8%	78.0%	78.8%	77.7%	78.7%
		Using Maths	80.3%	77.4%	78.7%	79.6%	78.6%	79.5%
		Using IT	-	-	-	84.2%	84.5%	85.8%
<b>Key Stage 3</b> (Age 11 to 14)	Level 5+	<b>Grammar &amp; Non-Grammar:</b>						
		Communication (English)	74.1%	74.0%	78.2%	75.8%	74.5%	77.0%
		Using Maths	77.1%	77.3%	78.7%	75.9%	77.5%	78.9%
		Using IT	-	-	-	68.4%	77.3%	73.5%
		<b>Grammar:</b>						
		Communication (English)	98.6%	98.4%	97.6%	96.5%	98.4%	98.0%
		Using Maths	99.4%	99.7%	98.0%	96.0%	99.4%	99.0%
		Using IT	-	-	-	93.7%	98.5%	98.2%
		<b>Non-Grammar</b>						
		Communication (English)	59.3%	58.5%	64.1	63.3%	61.5%	61.1%
Using Maths	62.1%	63.5%	63.6	64.2%	63.2%	64.2%		
Using IT	-	-	-	57.1%	64.3%	60.4%		

#### Notes:

1. Key Stage Assessments exclude Special and Independent schools
2. From 2013/14 onwards data has been weighted to account for non-response bias

## PERFORMANCE REPORT - ANALYSIS

### NI GCSE and GCE A Level Achievements

#### Educational Performance in NI for the Academic Years 2013/14 to 2018/19

GCSE and A Level Achievements	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	NI %	NI %	NI %	NI %	NI %	NI %
GCSE						
GCSE 5+ A*-C (Non Grammar)	70.6%	72.0%	72.7%	74.4%	77.3%	79.7%
GCSE 5+ A*-C (Grammar)	97.2%	97.8%	96.5%	96.5%	96.0%	96.1%
GCSE 5+ A*-C incl. English & Math (Non Grammar)	44.0%	46.8%	47.0%	49.9%	52.4%	54.8%
GCSE 5+ A*-C incl. English & Maths (Grammar)	94.5%	95.0%	94.1%	94.1%	94.0%	94.3%
GCE A Level						
GCE A Level 3+ A*-C (Non Grammar)	47.7%	47.8%	51.5%	55.0%	57.2%	58.8%
GCE A Level 3+ A*-C (Grammar)	75.7%	77.0%	76.3%	78.1%	78.1%	79.7%
GCE A Level 2+ A*-E (Non Grammar)	95.4%	95.8%	96.1%	97.0%	96.4%	96.4%
GCE A Level 2+ A*-E (Grammar)	99.6%	99.7%	99.5%	99.7%	99.5%	99.6%

### Centre of Procurement Expertise (CoPE)

EA Procurement Service have undergone significant transformation. This includes the introduction of a Category Management approach to ensure procurement is aligned to strategic expenditure, and deliver customer focused service delivery for stakeholders.

In May 2020 EA was accredited as a CoPE for Education, following a rigorous assessment by the CoPE assessment team. This accreditation was awarded to the Commercial Services Procurement Team which manages the procurement of a range of supplies, services and works.

The CoPE assessment team were "impressed with the level of enthusiasm and commitment of the staff", and commended "the significant transformation of the service".

### Statutory Assessment Improvement Project (SAIP)

In November 2019, EA initiated an audit of practice relating to its statutory assessment processes (i.e. Stage 4 of the SEN Code of Practice). The January 2020 audit report identified

## PERFORMANCE REPORT - ANALYSIS

issues relating to information governance, workflows, timeframe compliance, management systems and culture and made ten recommendations to address those issues.

In February 2020, EA initiated the 'Statutory Assessment Improvement Project' (SAIP). The SAIP was designed to address the audit report's ten recommendations via seven work-streams. Staff commitment to the change process and the SAIP work-streams have delivered a wide range of system improvements to date. By the end of March 2021, the vast majority of actions within those work-streams had been completed. In November 2019, 1,070 assessment cases had been open for more than 26 weeks – by 31 March 2021 this figure had reduced to zero. In addition to focusing on clearing the backlog of pre-existing cases which had been open for more than 26 weeks, the Statutory Operations Service has ensured newly received referrals have also been progressed at pace. In April 2020, 10% of all statements completed in the month were within the 26 week statutory timeframe. By March 2021, significant improvement had been made with 78% of all statements completed in the month within the 26 week statutory timeframe.

In 2020/21 a number of additional external scrutiny reports underlined the need for wider change beyond the statutory assessment process, extending across NI's SEND system. EA and DE accepted the wide range of resulting recommendations and agreed the overall change agenda should be co-ordinated through a single cross-sectoral governance structure. The resulting SEND Strategic Development Programme (SEND SDP) was formally initiated in October 2020. The SEND SDP spans reforms including the Statutory Assessment Improvement Project, and will also deliver a range of new projects to address the additional SEND change priorities identified across the range of recent scrutiny reports.

Following a process of initial analysis and consultation, a prioritised listing of proposed projects has been mapped against the full range of recommendations for change and is currently the focus of extensive engagement and debate across key stakeholder groups. The joined up nature of the SEND SDP approach and commitment to early, meaningful stakeholder engagement and co-production have been widely welcomed. Once SEND SDP resource is secured and the new projects enter implementation, a range of longer-term stakeholder engagement mechanisms will be established to ensure meaningful co-production continues across the SEND SDP's lifespan.

### **SEN Area Planning (SENAP)**

EA has established a cross directorate group to consider lessons learned and future planning regarding placement of SEN children in special schools and specialist settings within mainstream. Two SENAP Framework consultation documents were launched on 16 October 2020. The consultation closed on 12 April 2021, following extensions to the consulting period due to the COVID-19 pandemic.

A further wide-ranging programme of consultation meetings with all stakeholders commenced on 17 October 2020 and concluded on 29 March 2021. Full consultation briefings were held with special and mainstream school principals and follow up meetings were facilitated with school governors, staff, parents and pupils.

Capturing the pupil voice was a particular focus, through whole class zoom events, audio and video recordings, written submissions and testimony given by carers on behalf of pupils. Individual meetings with individual pupils and their parents were facilitated on request.

## PERFORMANCE REPORT - ANALYSIS

A large number of parent consultations reached a wide range of SEN and Disability support groups, low-incidence disability groups, parent support groups and individual parents on request.

Strenuous efforts were made to ensure the widest geographical reach across the country and digital meeting platforms greatly enhanced this.

### **Key Statistics:**

- In total 92 consultation meetings were carried out with over 300 participants. The EA SENAP team hosted 6 public group meetings.

### **Admissions**

The COVID-19 pandemic and associated school closures greatly impacted the admissions process. It was no longer possible to request 70,000 parents across the 3 admissions sectors to come into schools to provide paper copies of sensitive information, nor could paper copies of such information be passed from school to school. The post primary process was particularly affected, with the uncertainty concerning the transfer test and the application process being reliant on a paper based application moving between parents, schools and EA.

The COVID-19 pandemic brought greater urgency to EA's plans to digitally transform its admissions application processes, with the situation made more pressing by the deadlines for admissions.

In October 2020, EA started digital transformation of the post-primary admissions process for parents, schools and staff in order to comply with the compressed timetable issued from DE. The project team worked tirelessly to deliver a successful online portal to manage the post-primary application process. Pre-school and primary applications opened for parents on 7th January 2021, with post-primary applications opening on 1st March 2021. Document upload functionality was also added to the previously digitised pre-school and primary admissions applications process, allowing parents to upload evidence in support of their application and giving schools the ability to view/download the documentation as required. Almost 77,000 documents were uploaded, including 47,000 birth certificates between 7th and 29th January 2021, and made available to over 1,500 schools.

The post-primary system saw a significant uptake within a few days of the application window opening. More than 23,000 applications were received in total - 9,000 in the first 24-hours.

Using Ratelt and online surveys, parents provided feedback on the new system. On post-primary admission applications, 94% of the parents surveyed between the 1st and 7th March 2021 rated the process as 'Good' or 'Very good'. For the pre-school and primary admissions document upload process, 85% of the parents surveyed between 7th and 11th January 2021 declared it 'Very good'.

The applications for each educational phase are shown in the table below.

## PERFORMANCE REPORT - ANALYSIS

### Applications per educational phase for school admissions in September 2021

Educational Phase	On-line applications	%	Paper applications	%	Total Applications
Pre-school (underage)	2,891	96.6%	102	3.4%	2,993
Pre-school (target age) stage 1	21,450	98.6%	312	1.4%	21,762
P1	22,303	98.1%	439	1.9%	22,742
Reception	312	98.1%	6	1.9%	318
Post-primary	23,155	98.7%	310	1.3%	23,465
Total	70,111	98.4%	1,169	1.6%	71,280

### EA One

EA One is EA's new finance, procurement, human resources, payroll and online recruitment system, which will replace legacy systems used in the former Education and Library Boards through phased implementation. The EA One Project Team continued to develop the system solutions for core human resources and payroll during 2020/21, with successful completion of a number of key milestones in the project including data migration, system integration testing and user acceptance testing.

The impact of the ongoing COVID-19 restrictions extended the pre-implementation period, with the initial go-live for the first payrolls delayed to October 2021. The EA One Project Team used the delay to further invest in business and schools' readiness activities. All EA and DE payrolls are now scheduled to be fully live by June 2023.

### Education Information Solutions Programme (EdIS)

The EdIS programme replaced the programme formally known as Education Technology Services (ETS) and was officially launched in March 2022. EdIS is designed to develop solutions for education and support delivery of both EA's and DE's corporate objectives. EA's ten year strategic plan (2017 to 2027), notes the importance of continuous improvement so that EdIS can evolve at a pace in line with continued technological advancement. While the EdIS programme is developed, ICT Managed Services established by the legacy Education and Library Boards continue to be provided through the Education Network NI (EN(ni)) project until 31 March 2024.

EdIS is a change programme designed with children and young people and their learning experience at its centre. It will facilitate the transformation of learning and teaching through

## PERFORMANCE REPORT - ANALYSIS

technology with continuous improvement at its core, and will transform children and young people's learning experience, develop skills for the future, support programmes to improve educational outcomes and facilitate professional learning for school staff over the next 10 years and beyond. EdIS will provide a fully integrated and interoperable education service for schools which will provide anywhere, anytime access to, and support for services relating to school improvement, teaching and learning.

The EdIS Education Service for Schools Programme structure has been defined and continues to be resourced to meet procurement and initial implementation delivery needs. Four projects sit under the programme of work:

1. Network;
2. School Management and Development;
3. Storage and Compute; and
4. User Devices.

Further information on the EdIS programme may be found at [Education Information Solutions Programme \(EdIS\) | Education Authority Northern Ireland \(eani.org.uk\)](#).

## EU EXIT

Following the UK departure from the EU on 31 January 2021, the focus has been on adjusting EA processes and keeping close watch on any developments that could impact the delivery of EA services. In the run up to the EU Exit, EA provided information and signposting to staff and schools in relation to applying for settled status, frontier worker permits and using the common travel area for work (CTA). EA have set up an EU Exit Working Group to address any risks in relation to the EU Exit, which feeds directly to DE when necessary. EA has established an HR specific EU Exit group who are working on the new duties around 'right to work' checks within an anti-discrimination framework. The EA Intercultural Education Service provided signposting, in multiple languages, on how to apply for settled status for Newcomer families.

## Business Plan Targets

EA identified 45 key actions/targets in the 2020/21 Corporate Business Plan across its nine corporate improvement objectives. The actions/targets were either Achieved or Likely to be Achieved but with some delay.

Status	Number
<b>Green</b> (Achieved)	<b>30</b>
<b>Amber</b> (Likely to be Achieved but with some delay)	<b>15</b>
<b>Red</b> (Not Achieved)	<b>0</b>
<b>Total</b>	<b>45</b>

Likely to be Achieved but with some delay means the objective is likely to be achieved in full but after the current business year. For the most part, the delay on delivery of business plan objectives has been either as a direct result of EA's inability to progress key actions due to



## PERFORMANCE REPORT - ANALYSIS

lockdown restrictions, pressures on schools due to the COVID-19 pandemic or as an indirect result where it was necessary for resources to be redeployed or refocused to carry out work in relation to EA's response to the COVID-19 pandemic. The pressures on resources caused by the COVID-19 response also impacted on the business planning process itself.

### Performance Improvement & Data Quality

In October 2020, the Corporate Performance function was established in EA within the Continuous Improvement team. The EA Performance Improvement Framework has been developed and implementation is underway. There has been continued development and fostering of a corporate culture to ensure greater use of quality system data and analysis to measure service delivery, help facilitate and drive service improvements and to facilitate the achievement of business plan objectives. As part of EA's Data Strategy, a Data Quality Framework has been initiated to provide assurance that data is fit for consumption and meets the needs of data consumers.

Progress within the implementation of EA's Data Strategy and Corporate Performance Improvement Framework is reflected in the service improvements delivered in Statutory Operations and particularly in the SAIP outlined above. The Corporate Performance Manager has produced detailed weekly and monthly Statutory Operations performance management reports, using business intelligence collated by the CYPS directorate. This increased focus and insight has acted as an enabler to the significant improvement delivered by the service, which is demonstrated in the performance improvement in the period 31 March 2020 to 31 March 2021.

A data quality working group within Statutory Operations has met weekly from January 2021 to start embedding the Data Quality Framework within that service and to promote good data management practices. Other service improvements have been facilitated by a more modern approach to business intelligence by building insights dashboards for the new digital post-primary admissions process, for ETC, and for area planning.

### Long Term Trend Analysis

#### EA Total Outturn

EA's total DE recurrent budget allocation for 2020/21 was £2,361m including an allocation for Youth of £37m (2019/20 £2,067m including Youth £36m).

EA total spending is comprised of:

- Aggregated Schools Budget (ASB) funding, which is delegated to schools with Board of Governors and Principals responsible for managing the school finances and staffing decisions;
- VGS/GMI schools, for which EA assumed responsibility from 1 April 2017<sup>1</sup> (including some additional transactional services to VGS/GMI schools which transferred to EA on 1 April 2018);

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<sup>1</sup> VG and GMI schools have direct control of their finances and are subject to separate arrangements operated under Financial Memoranda. Any overspend on their annual budget must be financed by the school from their own resources and/or bank overdrafts/loans with any underspends remaining with the school. Overspends and underspends for VG and GMI schools are not recorded in EA's accounts.



## PERFORMANCE REPORT - ANALYSIS

- Block Grant which covers a range of policy, statute and contract based services for schools, children and young people;
- Earmarked funding which covers specific initiatives including the costs of voluntary exit and maintenance; and
- Youth covering a range of provisions for children and young people involved in the statutory and voluntary sectors.

EA has continued to provide services in a constrained and challenging financial environment, which has been further exacerbated by the rapid spread of the COVID-19 pandemic. In 2020/21 the COVID-19 pandemic presented an unprecedented set of challenges across the Education sector as school leaders sought to maintain safe educational provision in compliance with the rapidly evolving nature of the Executive's response to the COVID-19 pandemic.

The Minister for Education provided a significant package of funding in 2020/21 (£147m) to support EA and schools in effectively implementing the Department's guidance in line with the Executive's Pathway to Recovery document.

In addition, further net funding of £149m was provided throughout the year including £83m for Teachers' pay Awards, £33m Block grant funding to address SEN pressures, Rates £3m, Teachers' pay Award £2m, Contingency £1m and other funding of £43m covering Youth (£6m) and other Business As Usual earmarked initiatives. EA surrendered £16m of schools' surpluses to secure access to the funding in future years. This, combined with proactively controlling in year expenditure, has enabled EA to report an overall underspend against budget allocations of £10m excluding Department for the Economy (DfE).

In this context, EA has worked to implement its budget strategy which protects frontline services to schools, children and young people and to absorb in year pay and price pressures.

The Final Resource Outturn position reported for 2020/21 notes:

- additional costs directly attributable to the COVID-19 pandemic of over £150m;
- no block grant underspend or overspend after savings of £17m;
- a total underspend of £10m in DE resource allocations (excluding Earmarked and Youth); and
- a net overspend within DE Earmarked allocations of £0.1m and break even on Youth.

EA's Capital Allocation for 2020/21 was £98m for Schools and £5.4m for Youth. EA fully spent the capital allocations.

The Financial Target Notes (Note 27 Financial Target - Resource and Note 28 Financial Target – Capital) as per the financial statements reconcile the budget allocations for resource and capital funding to the expenditure as reported in the Statement of Comprehensive Net Expenditure.

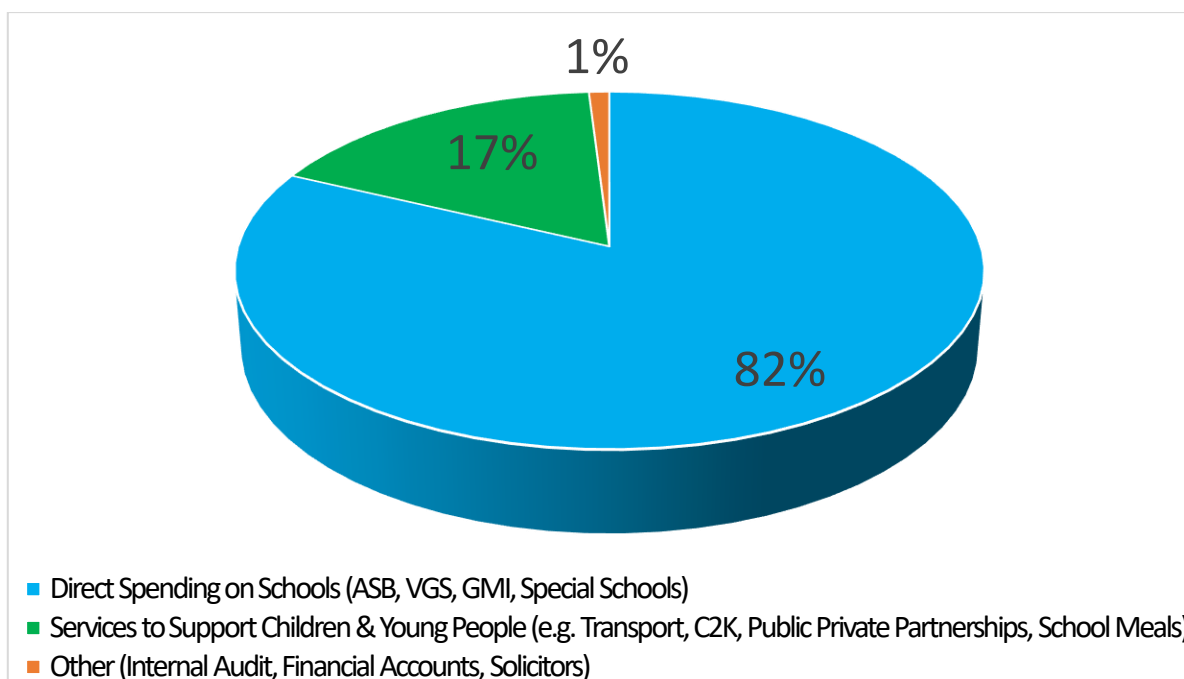
EA will continue to seek to make the best use of the funding available and to make the case for additional funding to support schools and services to schools, children and young people.

## PERFORMANCE REPORT - ANALYSIS

In 2021-22 EA will take forward, in conjunction with DE, the recognised need for recovery and transformation to the system to ensure that it can continue to meet the important role that education plays in NI communities, economy and health and in achieving Programme for Government (PfG) outcomes.

As per Chart 1 below, 99% of EA's outturn continues to be spent directly in schools or spent directly supporting schools and services to children and young people. The remaining 1% includes costs required to meet statutory responsibilities, corporate governance, HR and legal services including claims and solicitors.

**Chart 1: EA Outturn Analysis for 2020/21**



Total spend has continued to increase since EA took on the role of the former Education and Library Boards on 1 April 2015, due to increases in demand for policy, statute and contractual based services; inflationary pressures; the transfer of new responsibilities (such as VGS/GMI schools); and new statutory requirements such as the Apprenticeship Levy.

### Total School Spend

At over £1.3billion (56.8% of total outturn including VGS/GMI) the Aggregated Schools' Budget outturn is the largest element of total EA outturn.

Since 2015 schools have been managing their financial positions at increased financial risk of spending more than funding allocations. The combined impact of increasing demand, inflationary pressures and insufficient budget allocations and reduced spending power has had a detrimental impact on the financial health of schools.

In 2020/21 due to a combination of increased financial support to fund responses to COVID-19 and disruptions to educational provision with many schools experiencing periods of closure, a number of schools reported an improved financial position with 515 schools closing the 2020/21 financial year in deficit compared with 555 in 2019/20, and 478 schools ending the 2020/21 financial year in a surplus position compared with 451 in 2019/20.

## PERFORMANCE REPORT - ANALYSIS

However, despite this position the sector continues to face significant financial challenges. In schools and in EA, while budgets have been falling in real terms, cost pressures have continued to increase as has demand for statute and contract-based services. This has led to ongoing issues with the sustainability of the education sector.

Some Governors, Principals and teachers are under increasing stress and pressure to balance what they perceive as unrealistic budgets whilst also striving to maintain and further improve education standards. Schools leaders have also highlighted that some changes are needed to the Common Funding Formula, the tools that are available for workforce planning and that making further cost savings is not possible without impacting upon educational outcomes.

The main cost in schools is staff with over 80% and in some cases 90% of school's costs staff related. Significant savings can only be driven through a reduction in staffing numbers. There have been insufficient redundancies to meet the financial pressures and current schemes operate on a refresh and renew basis, which has not delivered the level of reductions required.

The number of teachers working part time and full time in the system, based on full time equivalents (FTEs) has increased from 18,394 in 2013/14 to 18,503 in 2020/21, an increase of 0.6% since 2013.

With EA's support, schools have been proactive in taking steps to mitigate the impact of financial pressures. The extension of financial management into schools provides better information on the assets used in the delivery of education and has improved the financial position of schools who chose to participate.

In 2020/21 due to the additional budget allocations to address pressures resulting from the COVID-19 pandemic, schools underspent their ASB allocation by £10.4m compared to an overspend position in 2019/20 of £3.1m.

### Summary

2020/21 has been an exceptional year as schools, children and young people sought to maintain educational standards and provision during the COVID-19 pandemic. With funding and guidance the Executive sought to mitigate the impacts on the sector as far as possible although the impact of the pandemic has continued into 2021/22. As restrictions across society are lifted, there will be a continued need for mitigations to remain in place to ensure all children and staff remain safe in schools.

EA's core budgetary position continues to be constrained. Over 90% of EA services are policy, statute and contract-based and over 80% of costs are staff-based. This means that costs cannot be significantly reduced without changes to legislation, contracts and staffing levels which can be costly and will take time.

Given structural and service constraints EA can cope with the impact of some pressures. However, EA cannot cope with the combined impacts of declining budgets, structural constraints, pay and price, unavoidable and increasing demand for policy, statute and contract based services, declines in schools finances and new requirements such as apprenticeship levy.

## PERFORMANCE REPORT - ANALYSIS

The system requires additional funding and support to ensure that DE, EA, school leaders and governors can sustain the improvements that have been made in educational outcomes to date. This will enable the increasing requirements of children and young people (including those with special and additional needs) to be addressed and will facilitate transformation of the system to ensure that it can continue to fulfil the important role that education plays in NI communities, and in achieving PfG outcomes to contribute to a vibrant economy and a healthy population.

## SUSTAINABILITY REPORT

In 2020/21, EA continued to invest in energy saving measures aimed at reducing ongoing running costs.

Typical measures included:

- Expenditure of £482k on energy related fabric improvements including insulation upgrades, roofing and window replacements;
- Lighting replacements included expenditure of £34k throughout the estate with a move in general to LED lighting; and
- Upgraded controls and heating system improvements of £374k.

Energy costs reduced from £26.2m in 2019/20 to £20.5m in 2020/21 and degree day corrected energy use reduced from 1,442,147GJ to 1,200,526GJ. The closure of schools due to the COVID-19 pandemic directly contributed to reduced energy costs and reduced energy usage in 2020/21.

## Waste and Recycling

Activities to reduce waste to landfill and increase recycling rates took place across EA's estate.

Measures included:

- 100% of EA waste disposed of through the private waste management contract was diverted from landfill in 2020/21, of which
  - 1,779 tonnes were general waste of which 534 tonnes were recycled and the remaining 1,245 tonnes were recovered for conversion to waste derived fuel;
  - 416 tonnes of food waste were recycled in 2020/21; and
  - 354 tonnes of mixed dry recyclables were recycled in 2020/21;
- Recycling paper, cardboard, glass, cans, toner cartridges and fluorescent tubes continue to be collected and recycled;
- Re-using teaching materials including books, furniture and other equipment when a school building closed. These resources were relocated to other schools on a needs basis;
- EA in partnership with the DAERA, Queens University Belfast and Eco Schools launched the second Plastic Waste in Schools competition aimed at raising awareness of the use of and recycling opportunities for single use plastics within schools. This has had to be postponed due to the COVID-19 crisis and was relaunched in the autumn term of 2021;
- Transformation of digital admissions in 2020/21 continued to reduce in year paper applications by 97%, saving some 485k paper application sheets; and
- The Catering Service is reviewing its use of Single Use Plastics when supply contracts are being renewed, with the aim of reducing single use plastics at source.

## Water

Water reduction measures included:

- working with NI Water to produce a report that identified all schools' water consumption (per pupil) over a two year consumption period, benchmarked against better performing schools, thus enabling targeted reduction;

## **SUSTAINABILITY REPORT**

- significant numbers of urinal controls installed in schools and out centres;
- many schools, youth facilities and offices have benefited from investment in modern technology to reduce water consumption including timed flow from wash hand basin taps, urinal controls and filtered mains water fountains rather than bottled water;
- where possible the incoming water mains supply pipe sizes have been reduced to reduce standing charges; and
- water consumption has further reduced with a 24 percent reduction since 2017/18.

### **Procurement**

Efficiency measures included:

- the inclusion of environmental issues and the circular economy within criteria for procurement;
- collaborative procurement of utilities through CPD ensuring best value is achieved for schools and headquarter buildings;
- ongoing review of EA contract terms and conditions to ensure that they do not prevent the purchase of re-manufactured, refurbished and recycled products;
- contract renewed for the provision of Display Energy Certificates within schools;
- construction project managers are aware of the need to comply with Statutory Sustainable Construction Group guidance;
- procurement of all construction projects with requirements to achieve a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating for all new buildings and a very good rating for refurbishments; and
- The Nearly Zero Energy Building Design Standard (NZEB) is being piloted in 3 new capital development projects and BREEAM Outstanding is being piloted in 2 new capital development projects.

### **Education**


Education measures included:

- Networking is on-going with outside agencies through Education for Sustainable Development (ESD);
- Energy and environmental staff are trained and supportive of Eco-Schools accreditation programme;
- 1,130 schools have registered with the Eco-Schools accreditation programme, of which 587 have achieved maximum award status:
  - Bronze: 820 (maximum award for 123 schools)
  - Silver: 715 (maximum award for 161 schools)
  - Green: (highest level) - 582 (maximum award for 303 schools)

## SUSTAINABILITY REPORT

### **Business in the Community (BITC) - NI Environmental Benchmarking Survey**

In 2020/21 EA again participated in the BITC Environmental Benchmarking Survey and was awarded Silver category.

A handwritten signature in black ink, appearing to read 'Sara Long', enclosed within a thin black rectangular border.

**Sara Long**  
**Chief Executive**

**4 August 2022**

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Directors' Report

**Chief Executive:** Ms Sara Long

**Chairperson:** Ms Sharon O'Connor (Chair for the period to 31 December 2020)  
Mr Barry Mulholland (Chair for the period commencing 1 January 2021)

### EA Board

In line with the Education Act (NI) 2014, the EA Board is made up of 20 members plus the Chairperson as set out below.

- 8 political members who were nominated by political parties according to a formula based on the D'Hondt mechanism.
- 4 members representative of the interests of the transferors (the 3 main Protestant churches) of controlled schools.
- 4 members representative of the interests of the trustees of maintained schools.
- 1 member representative of the interests of integrated schools.
- 1 member representative of the interests of Irish-medium schools.
- 1 member representative of the interests of voluntary grammar schools.
- 1 member representative of the interests of controlled grammar schools.

### Board Membership during 2020/21

Rev Amanda Adams	Sir Gerry Loughran
Miss Frances Boyd	Mr Gerry Lundy
Mr David Cargo	Mr Frank Maskey**
Mrs Patricia Carville OBE	Mr Nelson McCausland
Mr Jonathan Craig	Mrs Gillian McGrath***
Mrs Monica Culbert**	Dr Andy McMorrان OBE
Mr Giovanni Doran	Mr Oliver McMullan**
Dr Muredach Dynan***	Ms Angela Mervyn**
Rev Robert Herron OBE	Mr Kieran Mulvenna
Mr Maurice Johnston	Mr Liam Ó Flannagáin
Mr Paul Kavanagh**	Miss Rosemary Rainey OBE
Mrs Sarah Kelly	Ms Nuala Toman**

\*\* Mrs M Culbert, Mr O McMullan, and Ms N Toman left the Board on 31 January 2021 and were replaced by Mr P Kavanagh, Mr F Maskey, and Mrs A Mervyn on 1 February 2021.

\*\*\* Dr M Dynan resigned from the Board on 31 October 2020 and was replaced by Mrs G McGrath on 1 February 2021.



# ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

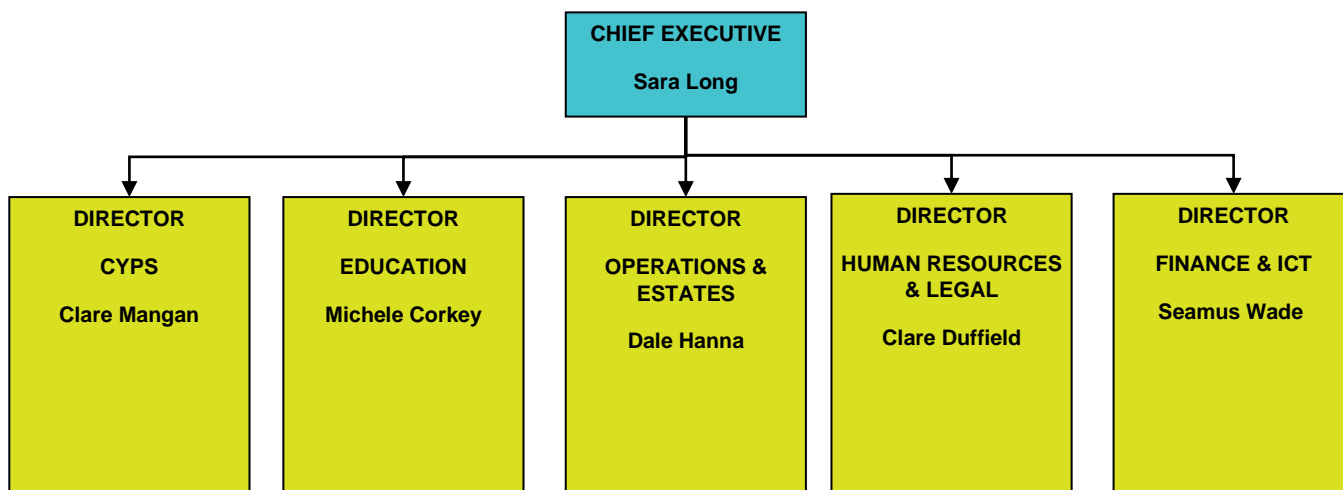
## Directors' Report

### Executive Directors

EA's executive team consists of the Chief Executive and five Directors.

#### Director of Operations and Estates

- Dale Hanna was appointed as Acting Director of Operations and Estates (following appointment of Sara Long to Chief Executive on 1 April 2019). Following a recruitment process Dale Hanna has since been appointed as Director of Operations and Estates with effect August 2020.



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

## Directors’ Report

### Policy and Practice on Payment of Creditors

#### Payments to Suppliers

#### Public Sector Payment Policy – Measure of Compliance

The government requires EA to pay its trade creditors in accordance with the Better Payment Practice Code and Government Accounting Rules. EA’s payment policy is consistent with the Better Payment Practice Code and Government Accounting Rules and unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods and services, or on presentation of a valid invoice or similar demand, whichever is later. In line with best practise EA also endeavours to maximise the number of invoices paid within 10 days.

The measures of compliance for the 2020/21 financial year are as follows:

Public Sector Payment Policy – Measure of Compliance	Based on Invoice Date 2020/21		Based on Invoice Date 2019/20	
	Number	Value £000	Number	Value £000
Total bills paid in the year	274,523	688,923	365,898	695,722
Total bills paid within 10 days	201,854	631,595	216,325	605,341
% of bills paid within 10 days	73.53%	91.68%	59.12%	87.01%
Total bills paid within 30 days	248,566	675,933	310,733	668,037
% of bills paid within 30 days	90.54%	98.11%	84.92%	96.02%

EA incurred net interest charges of £2,583 in 2020/21 (2019/20: £288) due to late payment of invoices. These charges have been included in the disclosures in the Losses Statement within the Assembly Accountability Report.

Further information is available at:

<https://www.education-ni.gov.uk/prompt-payment-performance>

#### Personal Data Related Incidents

If a personal data breach occurs and it is likely that there will be a risk to people’s rights and freedoms, EA notifies the Information Commissioner’s Office (ICO) and liaises with the ICO who will evaluate the breach and EA’s response. During 2020/21, EA reported three personal data breaches to the ICO. The ICO’s decision in relation to each of the personal data breaches reported to it by EA during 2020/21 was that no further action was required by the ICO. When a personal data breach occurs, EA’s Information Governance team liaises with the relevant EA service to investigate how the incident occurred, the manner in which it was dealt with and what action can be taken to prevent future similar breaches.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Directors' Report

#### Disclosure of Relevant Audit Information

##### Complaints Handling

EA is committed to continuous improvement in the planning and delivery of its services. Complaints are viewed as opportunities to address concerns and to put things right.

An EA complaints handling procedure was drafted in consultation with the office of the NI Public Services Ombudsman and approved by the Board in June 2016. The systems and internal procedures within the complaints handling service are continuously monitored and improved to ensure complaints are handled efficiently and consistently across EA in line with its procedure. New policy and procedural documentation was introduced in May 2021.

During 2020/21, EA received 247 stage 1a complaints. These are dealt with and resolved by frontline staff with a five working day response deadline. Of that number 137 were upheld, 18 were partially upheld, 81 were not upheld and 11 were resolved.

During 2020/21, EA received 44 complaints which were dealt with at stage 1b of its Complaints Handling Procedure (Head of Service level). Of that number 22 were upheld, seven were partially upheld, 12 were not upheld and three investigations are ongoing. A stage 1b complaint is investigated by the relevant Head of Service with a response deadline of 20 working days.

During 2020/21, EA received 9 complaints dealt with at stage 2 of its Complaints Handling Procedure (Director level). Of the 9, 3 were upheld, 4 were partially upheld, and 2 were not upheld. Stage 2 complaints require a Director, independent of the Directorate to which the complaint relates, led investigation with a response deadline of 25 working days.

In addition to the complaints handled under EA's Complaints Handling Procedure at stages 1a, 1b and 2, EA Complaints Service also processed the following complaints:

EA Complaints 2020/21						
Complaint Type	Volume	Upheld	Partially Upheld	Not Upheld	Resolved	Ongoing
Stage 1a	247	137	18	81	11	0
Stage 1b	44	22	7	12	0	3
Stage 2	9	3	4	2	0	0
RTAB	210					
CCP	3					
HOCP	155					
FEED	25					
DE Enquiry	3					
NIPSO	23					
Anonymous Complaint	7					
Copied to EA	6					
Unreasonable Complaint	1					
<b>Total</b>	<b>733</b>					

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Directors' Report

#### Index

<b>RTAB</b>	The complainant has been referred to another body e.g. a school or other public authority, EA cannot address the complaint.
<b>CCP</b>	EA has received a complaint that has a safeguarding concern requiring referral to Child Protection Support Service
<b>HOCP</b>	Handled outside EA Complaints Procedure - the complaint is handled via an internal appeals process/mechanism e.g. Dispute Avoidance and Resolution (DARS)
<b>FEED</b>	Positive feedback or comments to service
<b>NIPSO</b>	Enquiries from NI Public Services Ombudsman
<b>DE Enquiry</b>	Enquiries from DE
<b>Anonymous Complaint</b>	The Complainant has not revealed their identity and the matter may be referred to EA's Internal Audit
<b>Copied to EA</b>	Complaint has been directed to another Body and a copy forwarded to EA
<b>Unreasonable Complaint</b>	The Unreasonable Complaints Policy has been applied

A number of RTAB complaints received in 2020/21 were referred to another Body. The number of such complaints and the body to whom the complaint was referred are further noted below:

<b>RTAB Complaints</b>	
<b>Other Body</b>	<b>Volume</b>
Schools	147
DE	28
Libraries NI	0
NIPSO	6
Courts	0
CCMS	1
CP	0
Schools outside jurisdiction	5
Early Years	0
Education Maintenance Allowance	0
CCEA	3
Political Party	14
Other EA Service	3
University	1
Translink	1
Private Firm	1
<b>Total</b>	<b>210</b>

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Directors' Report

Outcomes and recommendations from complaints' investigations are used to inform business improvement across EA. As a result of the complaints upheld, a number of improvement measures have been implemented.

Anyone wishing to submit a comment or complaint can find all relevant details on EA's website at <http://www.eani.org.uk/about-us/comments-suggestions-and-complaints/> or by emailing complaints to [feedback@eani.org.uk](mailto:feedback@eani.org.uk)

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Statement of the Education Authority and Chief Executive's Responsibilities

Under Paragraph 15, Schedule 1 to the Education Act (NI) 2014, EA is required to make arrangements for a statement of accounts to be prepared in respect of each financial year, in such form and containing such information as DE may direct, with the approval of the Department of Finance and Personnel (DoF).

The accounts are prepared on an accruals basis and must give a true and fair view of EA's state of affairs at the year-end and of its net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by 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 Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts 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 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 EA's assets are set out in *Managing Public Money NI* 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 EA'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.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

#### Scope of Responsibility

As Accounting Officer for EA, I am responsible for the control and governance arrangements in operation. This Governance Statement outlines how I have discharged my responsibilities to manage and control resources in the course of the year. The governance system, as outlined in this statement, supports the achievement of EA's policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money (NI).

#### Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which EA is directed and controlled. It enables EA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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

The governance framework is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of EA's policies, aims and objectives; and
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has continued to operate up to the date of approval of the Annual Report and Accounts, and accords with Department of Finance guidance.

EA's business is primarily managed through:

- the Board;
- Finance and General Purposes Committee;
- Audit and Risk Assurance Committee;
- Education Committee;
- Children and Young People's Services Committee;
- Shared Education Committee;
- Membership and Teaching Appointments Committee;
- Community Use of Schools Committee;
- Child Protection and Safeguarding Committee;
- Remuneration Committee; and
- Expulsions Committee.

The role of the Board includes policy making, strategic and area planning, priority setting and good governance. The Board receives reports from Committees to enable its Members to perform the vital role of monitoring and evaluating the implementation of policy for the education of children and the provision of youth services. The attendance of members at Board

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

meetings during the year is set out below. The EA Board considers and ratifies the business of each committee; during the year it also considered and approved business planning and risk management.

As a result of the COVID-19 pandemic and the need for measures to be put in place for social distancing, in line with Public Health Agency guidance, the Board held a special meeting on 19 March 2020 to give consideration to conducting Board and Committee business.

At the special meeting, the Board agreed to delegate authority to the Chief Executive to transact business on the Board's behalf in the absence of Committee meetings over the following months. All matters of Committee business which were transacted by the Chief Executive would be presented to each monthly Board meeting.

The majority of the Committees were not operational during the months of April, May and June 2020; however, the Audit and Risk Assurance Committee met remotely in June and July and a number of Board Member Sub-Groups met remotely during the lockdown period to consider key items of business.

Committees again resumed in September 2021 and were facilitated by remote and blended attendance. The Board continued to hold its monthly meetings and also held informal meetings on a number of occasions during the first quarter of 2020/2021.

EA Board Attendance 2020/2021			
Member	Meetings Attended	Out of a Possible	Attendance %
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	9	9	100%
Mr Barry Mulholland* (Chair from 01/01/2021)	4	4	100%
Rev Amanda Adams	13	13	100%
Miss Frances Boyd	12	13	92%
Mr David Cargo	13	13	100%
Mrs Patricia Carville OBE	11	13	85%
Mr Jonathan Craig	13	13	100%
Mrs Monica Culbert**	10	10	100%
Mr Giovanni Doran	13	13	100%
Dr Muredach Dynan***	6	7	86%
Rev Robert Herron OBE	13	13	100%
Mr Maurice Johnston	13	13	100%
Mr Paul Kavanagh**	3	3	100%
Mrs Sarah Kelly	12	13	92%
Sir Gerry Loughran	13	13	100%
Mr Gerry Lundy	13	13	100%
Mr Frank Maskey**	3	3	100%



## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

Mr Nelson McCausland	11	13	85%
Mrs Gillian McGrath***	2	3	67%
Dr Andy McMorrان OBE	13	13	100%
Mr Oliver McMullan**	6	10	60%
Ms Angela Mervyn**	3	3	100%
Mr Kieran Mulvenna	13	13	100%
Mr Liam Ó Flannagáin	9	11	82%
Miss Rosemary Rainey OBE	13	13	100%
Ms Nuala Toman**	9	10	90%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021.

\*\* Mrs M Culbert, Mr O McMullan, and Ms N Toman left the Board on 31 January 2021 and were replaced by Mr P Kavanagh, Mr F Maskey, and Mrs A Mervyn on 1 February 2021.

\*\*\* Dr M Dynan resigned from the Board on 31 October 2020 and was replaced by Mrs G McGrath on 1 February 2021.

The overall attendance rate for 2020/21 was 94%.

### Finance and General Purposes Committee

This Committee deals with financial matters, operations and estates issues, contracts, tenders and issues relating to human resources policy development as well as strategic and corporate matters in connection with teaching and support staff for whom EA is the employing authority.

The Committee was heavily engaged in the EA financial strategy and budget for 2020/21 recognising the scale of the financial challenges. The Committee was involved in agreement of the annual budget plan and was fully updated on a monthly basis on the schools' and overall EA financial position. The Committee was advised on the ongoing significant financial challenges associated with the COVID-19 pandemic together with any other emerging risks and actions throughout the year.

Other key items of business progressed through the year include the approval of:

- EA's Authorisation Framework;
- EA's Business Plan;
- Tenders, contract documents and land and property transactions;
- EA's Rural Needs Annual Report;
- EA's Annual Progress Report to the Equality Commission; and
- EA's Menopause Workplace Scheme.

There were seven meetings of the Finance and General Purposes Committee during the year with overall Member attendance at 87%. Over the course of the year, twelve Members served on this Committee.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

Finance and General Purposes Committee Attendance 2020/21			
Member	Meetings Attended	Out of a Possible	Attendance %
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	2	4	50%
Mr Barry Mulholland* (Chair from 01/01/2021)	3	3	100%
Mrs Patricia Carville OBE	6	7	86%
Mr Jonathan Craig	7	7	100%
Mr Giovanni Doran	7	7	100%
Rev Robert Herron OBE	7	7	100%
Mr Maurice Johnston	7	7	100%
Sir Gerry Loughran	7	7	100%
Mr Nelson McCausland	6	7	86%
Mr Kieran Mulvenna	7	7	100%
Ms Nuala Toman	5	5	100%
Mr Paul Kavanagh	2	2	100%
Mrs G McGrath	2	2	100%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021

### Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee supports the Board and the Chief Executive as Accounting Officer on matters relating to internal control, risk management, corporate governance and assurance.

In accordance with DAO (DFP) 06/13 Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013, the Audit and Risk Assurance Committee is required to publicly report annually on its work and how it discharges its responsibilities.

The Committee has a responsibility to scrutinise and challenge the adequacy of management responses to issues identified by audit activity and any assurances which are provided to the Chief Executive as Accounting Officer. Senior EA officers attend meetings of the Audit and Risk Assurance Committee as do representatives of DE and the Northern Ireland Audit Office (NIAO).

The Committee completed a comprehensive work programme during the year. As in previous years, focus was given to the consideration of risk management and the Head of Internal Audit and Assurance's independent review of the Corporate Risk Register. Assurance was gained on the standard of financial management information presented to the Board in the form of the 2019/20 Accounts given that they were certified by the Comptroller and Auditor General without qualification. This was a significant achievement, particularly given the impact of the COVID-19 pandemic and the budgetary challenges that EA faced in 2019/20.

The Committee recognised that EA's priority during the year remained the delivery of efficient and effective education provision whilst ensuring the health and safety of staff, children and

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

young people in the context of a global pandemic. Within that context, the responsibility to maintain business as usual presented a number of unique challenges and risks.

The Committee welcomed the assurance from Internal Audit that EA's Governance Framework remains satisfactory and sufficient to meet the standards of good governance.

The Board has set out its requirements for the effective management of risk within EA's Risk Management Strategy. The content and focus of the Corporate Risk Register has evolved over time to demonstrate a strong linkage between the requirements of DE and EA's strategic and business planning, risk management, the quarterly assurance process and performance reporting. A key principle within EA's Risk Management Strategy is that risk is managed at the lowest practicable level and significant organisational risks are now being managed at Assistant Director or Head of Service level. The Committee reviewed a quarterly analysis of the Corporate Risk Register from the Head of Internal Audit and Assurance as well as a risk-based Internal Audit Strategy which specifically addresses the critical risks identified by the Senior Leadership Team (consisting the EA Directors and Assistant Directors).

The Committee welcomed the Internal Audit assurance that there is an adequate and effective system in operation over financial monitoring and reporting. This is particularly important in the current challenging financial climate.

The NIAO Report to Those Charged with Governance for the audit of EA's 2018/19 Annual Report and Accounts was presented to the Audit and Risk Assurance Committee on 13 January 2020. The Committee monitors progress in implementing all internal audit and external audit recommendations and has a particular focus on those recommendations that have been outstanding since the previous NIAO report.

The Committee undertook a self-assessment exercise during the year.

Five Board Members and two independent external Members served on this Committee during the year.

There were four meetings of the Audit and Risk Assurance Committee during the year with overall member attendance of 93% - attendance during 2020/21 was as follows.

<b>Audit and Risk Assurance Committee Attendance 2020/21</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Mr Gerry Lundy (Chair)	4	4	100%
Mr David Cargo	4	4	100%
Dr Muredach Dynan	3	3	100%
Mr Oliver McMullan	2	4	50%
Miss Rosemary Rainey OBE	4	4	100%
Ms Irene Knox (Independent External Member)	4	4	100%
Mr Trevor Salmon (Independent External Member)	4	4	100%

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

#### Overall Opinion of the Audit and Risk Assurance Committee

The Committee reviewed quarterly progress reports from the Head of Internal Audit and Assurance and reports on the implementation of priority 1 recommendations. Committee members are content that action is being taken to deal with control weaknesses and other issues raised. The Committee continues to monitor timescales for completion of priority 1 recommendations. The Committee also welcomed the satisfactory opinion included within the Head of Internal Audit's Annual Report for the 2020/2021 year.

It is the Committee's opinion that the assurances on corporate governance, risk management, financial management and internal control presented to it and to the Accounting Officer, during the year, were appropriately comprehensive, reliable and of sufficient integrity to assist EA and the Accounting Officer in meeting their accountability obligations for 2020/2021.

#### Education Committee

The Education Committee deals with issues across the full range of responsibilities delivered by the Education Directorate in the areas of School Improvement, Strategic and Area Planning and Community Planning.

In relation to Area Planning, during 2020/21 the Committee considered the Strategic Area Plan for School Provision 2017/2020 and it monitored progress against the 2019/20 annual action plan. It also considered, reviewed and approved for publication all development proposals brought forward by schools as well as giving approval for any pre-publication consultation activity to be undertaken by EA.

The Committee noted that Area Planning was stood down on 23 March 2020 by the Minister, due to the COVID-19 pandemic and the closure of schools. Following the re-start of area planning, the Committee noted, through the Area Planning Steering Group, that EA agreed with DE that the period covered by the Area Plan should extend to 31 August 2022 to facilitate joint work to develop a new Area Plan from 1 September 2022.

The Committee approved consultation to be held on the SEN area planning frameworks for Special Schools and Specialist Provision in Mainstream schools. The Committee approved the extension of these consultations due to the COVID-19 pandemic and the closure of mainstream schools.

During the year the Committee was briefed on a number of improvement initiatives such as:

- Education Restart;
- Engage Programme;
- Music Service - Proposed Charging Policy 2020/21 due to Covid-19;
- Blended Learning and issues relating to GCSE and A Level examinations;
- Locality Leadership Networks;
- Enabling School Improvement through Curriculum Development and Teacher Professional Learning;
- Supporting Continuity of Learning at Home - The Big Picture;
- Enabling Senior Leadership to ensure quality and consistency in remote learning;
- Area Planning Restart – Key Ministerial Messages to Area Planning Steering Group; and

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

- Draft Special Schools Area Planning Framework and Specialist provision in Mainstream.

There were seven meetings of the Education Committee during the year with overall member attendance at 90%.

Twenty three Members served on this Committee during the year. *(Four Members left EA during the year who served on this Committee and, with the appointment of new Members to EA, four new Members joined the Committee.)* Attendance at the Committee during the year was as follows.

Education Committee Attendance 2020/2021			
Member	Meetings Attended	Out of a Possible	Attendance %
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	1	4	25%
Mr Barry Mulholland* (Chair from 01/01/2021)	3	3	100%
Rev Amanda Adams	7	7	100%
Miss Frances Boyd	5	7	71%
Mr David Cargo	7	7	100%
Mr Jonathan Craig	7	7	100%
Mrs Monica Culbert	6	6	100%
Mr Giovanni Doran	6	7	86%
Dr Muredach Dynan	2	2	100%
Rev Robert Herron OBE	7	7	100%
Mr Maurice Johnston	7	7	100%
Mrs Sarah Kelly	7	7	100%
Sir Gerry Loughran	7	7	100%
Mr Gerry Lundy	7	7	100%
Mr Frank Maskey	2	2	100%
Mr Nelson McCausland	6	7	86%
Mrs Gillian McGrath	2	2	100%
Dr Andy McMorran OBE	5	7	71%
Mr Oliver McMullan	3	5	60%
Ms Angela Mervyn	2	2	100%
Mr Kieran Mulvenna	7	7	100%
Mr Liam Ó Flannagáin	4	5	80%
Miss Rosemary Rainey OBE	7	7	100%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021.

### Governance Statement

#### Children and Young People's Services Committee

The Children and Young People's Services (CYPS) Committee deals with issues in the areas of pupil support services, youth services, special schools and special education in mainstream schools. It also exercises an oversight role in relation to the budgetary performance of the CYPS's Directorate.

EA has a duty under the Children's Services Co-Operation Act to co-operate with other named children's authorities and children's providers to improve the wellbeing of children and young people across eight characteristics in the Act. Whilst this duty is discharged by several of the EA Board sub-committees, it is particularly relevant to the services within the remit of the CYPS's Committee.

The Committee is responsible for the ratification of statements for children with SEN and it receives a monthly update on the position regarding the statutory assessment process.

During the year, the Committee also received updates on a number of policy and strategic issues such as:

- updates on the Statutory Operations Improvement Plan;
- SEND Strategic Development Programme: Strategic Assessment and Programme Mandate Proposal;
- Specialist Provision in Mainstream Schools Area Planning Framework;
- NIAO: Impact Review of SEN (2020);
- Looked After Children Project;
- Nurturing Approaches in Schools Service;
- Intercultural Education Service Annual Report 2018/19;
- Youth Service updates;
- EA Youth Service role in the Tackling Paramilitarism Programme being taken forward by PSNI;
- Early Years SEN consultation analysis;
- SEN Code of Practice consultation update; and
- Consultation on proposals to establish a regional Care and Justice Campus for children and young people.

There were seven meetings of the Children and Young People's Services Committee during the year with overall member attendance at 92%.

Twenty one Members served on this Committee during the year. *(Four Members left EA during the year who served on this Committee and, with the appointment of new Members to EA, four new Members joined the Committee.)* Attendance at the Committee during the year was as follows.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

<b>Children and Young People’s Services Committee Attendance 2020/2021</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Ms Sharon O’Connor* (Chair for the period to 31/12/20)	0	4	0%
Mr Barry Mulholland* (Chair from 01/01/2021)	3	3	100%
Rev Amanda Adams	7	7	100%
Miss Frances Boyd	7	7	100%
Mr David Cargo	7	7	100%
Mrs Patricia Carville OBE	6	7	86%
Mr Jonathan Craig	7	7	100%
Mrs Monica Culbert	5	5	100%
Mr Maurice Johnston	7	7	100%
Mrs Sarah Kelly	5	7	71%
Mr Gerry Lundy	7	7	100%
Mr Frank Maskey	2	2	100%
Mr Nelson McCausland	7	7	100%
Mrs Gillian McGrath	1	2	50%
Dr Andy McMorran OBE	5	7	71%
Mr Oliver McMullan	5	5	100%
Ms Angela Mervyn	2	2	100%
Mr Kieran Mulvenna	7	7	100%
Mr Liam Ó Flannagáin	5	5	100%
Miss Rosemary Rainey OBE	7	7	100%
Ms Nuala Toman	4	5	80%

\* The term of office of Chair for Ms S O’Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021

### Shared Education Committee

The Shared Education Committee is a statutory committee which meets to exercise the functions of EA under Section 2(3) of the Education Act (NI) 2014, i.e. to encourage, promote and facilitate Shared Education. This requirement has been enacted by way of the Shared Education Act (NI) 2016.

There was one meeting of the Shared Education Committee during the year with overall member attendance at 100%. Shared Education activity was significantly impacted by the effects of COVID-19, with all pupil to pupil contact suspended and EA Shared Education staff temporarily re-deployed to COVID-19 support programmes. Progress reports on Shared Education activity were provided to Education Directorate Management Team and Education Committee as required.

Nine Members served on this Committee during the year. Attendance at the Committee during the year was as follows.



**Governance Statement**

<b>Shared Education Committee Attendance 2020/2021</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Rev Amanda Adams	1	1	100%
Mr Jonathan Craig	1	1	100%
Mr Giovanni Doran	1	1	100%
Rev Robert Herron OBE	1	1	100%
Mr Maurice Johnston	1	1	100%
Mr Gerry Lundy	1	1	100%
Mr Nelson McCausland	1	1	100%
Mr Oliver McMullan	1	1	100%
Miss Rosemary Rainey OBE	1	1	100%

**Membership and Teaching Appointments Committee**

The Membership and Teaching Appointments Committee approves appointments of principals and vice-principal posts of controlled schools and the appointments and transfer of assistant teachers in controlled schools. This is a statutory function of the Committee. The Committee also makes appointments to Boards of Governors of controlled, maintained and voluntary schools. It appoints members to serve on statutory appeal tribunals administered by EA and also appoints members to serve on outside bodies as required.

There were seven meetings of the Committee during the year with overall member attendance at 77%. Fourteen Members served on this Committee during the year. Attendance at the Committee during the year was as follows.

<b>Membership and Teaching Appointments Committee Attendance 2020/2021</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	1	4	25%
Mr Barry Mulholland* (Chair from 01/01/2021)	3	3	100%
Rev Amanda Adams	5	7	86%
Mr David Cargo	7	7	100%
Mrs Patricia Carville OBE	5	7	71%
Mr Jonathan Craig	5	7	71%
Mr Giovanni Doran	7	7	100%
Sir Gerry Loughran	6	7	86%



## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

Dr Andy McMorran OBE	5	7	71%
Mr Oliver McMullan	1	5	20%
Mr Kieran Mulvenna	7	7	100%
Miss Rosemary Rainey OBE	7	7	100%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021.

### Community Use of Schools Committee

The Community Use of Schools Committee is a statutory committee which meets to consider how best to extend, encourage, facilitate and promote the community use of grant-aided schools.

There were no meetings of the Committee during the year. Community use of Schools activity was significantly impacted by the effects of COVID-19. There was partial redeployment of Community and Schools staff throughout the year to COVID-19 support. Progress reports were provided to Education Directorate Management Team and Education Committee as required.

### Child Protection and Safeguarding Committee

The Child Protection and Safeguarding Committee is responsible for ensuring compliance with the requirements set out in the Safeguarding Board Act (NI) 2011 and the requirements set out in DE legislation and guidance in respect of child protection and safeguarding.

There were three meetings of the Committee during the year with overall member attendance at 85%. Over the course of the year, nine Members served on this Committee. Attendance at the Committee during the year was as follows.

<b>Child Protection and Safeguarding Committee Attendance 2020/2021</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	0	1	0%
Mr Barry Mulholland* (Chair from 01/01/2021)	2	2	100%
Mr David Cargo	2	3	67%
Mrs Patricia Carville OBE	2	3	67%
Mr Jonathan Craig	3	3	100%
Mrs Monica Culbert	2	2	100%
Dr Muredach Dynan	1	1	100%
Mr Gerry Lundy	3	3	100%
Mr Kieran Mulvenna	3	3	100%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021

## Governance Statement

### Remuneration Committee

The Remuneration Committee is responsible for approving recommendations concerning the pay progression of Senior Officers arising from evidence of performance against agreed objectives measured by appraisal in line with arrangements approved by DE and subject to Department of Finance pay remit approval.

There was one meeting of the Committee during the year with overall member attendance at 100%. Four Members served on this Committee. Attendance at the Committee during the year was as follows.

<b>Remuneration Committee Attendance 2020/2021</b>			
<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>	<b>Attendance %</b>
Ms Sharon O'Connor* (Chair for the period to 31/12/20)	1	1	100%
Mrs Monica Culbert	1	1	100%
Miss Rosemary Rainey OBE	1	1	100%
Ms Nuala Toman	1	1	100%

\* The term of office of Chair for Ms S O'Connor ended on 31 December 2020 following which Mr B Mulholland took up the office of Chair on 1 January 2021.

### Expulsions Committee

The Expulsions Committee is a statutory committee which considers cases being presented in relation to the expulsion of pupils from schools under the management of EA.

This committee meets as required and 6 meetings took place during the academic year. Each meeting requires the attendance of three Board Members.

### Review of Board Member Effectiveness

I consider that EA Board Members operated effectively during 2020/21, meeting regularly and considering appropriate issues at a strategic level.

EA Board Members have a corporate responsibility for setting objectives, agreeing priorities and implementing Ministerial policy. The Board met twelve times during the year and regularly reviewed the progress and management of key risks associated with the delivery of its objectives throughout the financial year. The Board was responsible for approving the EA Business Plan, EA budget and EA's Scheme of Delegation and Authorisations. The Board also monitored financial performance and considered key strategic issues relating to the COVID-19 pandemic and risk management.

EA fully recognises the importance of the Board's role in scrutinising operational performance and its associated challenge function. The EA Board commissioned an independent performance review of governance arrangements and committee structure in March 2020. The review provided a number of recommendations, including reform of EA's committee structure and operating

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

schemes. A Member's sub group was established to take forward the recommendations from the review in July 2020.

A new committee structure has since been developed and implemented, with first meetings of the new committees in April 2021. The structure includes the following committees of the EA's Board: Performance and Engagement Committee; Strategic Planning and Policy Committee; Resources and People Committee; Membership and Teaching Appointments Committee; and Governance, Risk and Audit Committee. Significant work has also been progressed in defining the operational schemes for these committees, providing clarity on the roles and responsibilities of Members, the information requirements for each committee and the associated information quality standards.

The Chair of the Audit and Risk Assurance Committee continues to conduct an annual performance appraisal with the independent external members of the Audit and Risk Assurance Committee.

### New Board Members and induction programmes

Throughout the year, following appointment of new EA Board members, induction training was provided. This training comprised of sessions provided by:

- the Directors of: Education, CYPS; Operations and Estates, Human Resources and Legal Service; and Finance and ICT;
- Assistant Directors and Heads of Services; and
- the delivery of a training seminar on public accountability and governance.

### Board Member Workshops

During the course of the year, the Board held a number of workshops to consider and review:

- the SEN Code of Practice and Regulations;
- EA's Review of Committee Structure;
- EA's Communications strategy; and
- the processes in support of the Scheme for the Suspension and Expulsion of Pupils from Controlled Schools.

### Account of Corporate Governance

In accordance with the Corporate Governance Framework, Registers of Members' and Staff Interests are in place. Actual or perceived conflicts of interest relating to Members and staff were appropriately recorded, managed and controlled.

At all Committee meetings a standing agenda item is 'Declarations of Interest' and it is brought to the attention of Members by the Chairperson. Any Member with a conflict of interest on a specific agenda item either does not participate in that discussion or withdraws from the meeting. Codes of Conduct for Board Members and staff have been established and communicated.

Anti-Fraud Policy and Fraud Response Plan, Whistleblowing and Gifts and Hospitality Policies have been implemented. All suspected and proven frauds have been notified to the relevant

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

body in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

### Parliamentary Accountability

I am the Accounting Officer for EA and I am accountable to the Minister for Education through DE's Permanent Secretary.

As Accounting Officer I am clear on my responsibilities, and I seek to ensure that resources are managed in line with Treasury guidance. Clear roles and responsibilities of officials are agreed and understood across EA.

### Role of the Board Members

The EA Board Members provide strategic leadership for EA. They oversee delivery of business objectives and are responsible for ensuring the effectiveness of arrangements for risk management and corporate governance, including internal controls. The Board has clear terms of reference which set out its responsibilities, along with schemes for committees in the committee structure developed in 2020/21. EA has established a Performance and Engagement Standing Committee as a standing committee of EA to support it on the oversight and monitoring of:

- the exercise of EA's statutory functions (so far as its powers extend) in relation to encouraging, facilitating and promoting shared education and community use of schools;
- the exercise of EA's functions in relation to integrated education in the context of DE's duty to encourage and facilitate the development of integrated education;
- the exercise of EA's functions in relation to Irish Medium schools in the context of the Department's duty to encourage and facilitate the development of Irish-medium education; and
- the exercise of EA's statutory functions in relation to children with SEN.

The business of the Board Members is conducted in accordance with EA's Standing Orders

### Details of Audit Reviews with Limited or Unacceptable Assurance Opinion

A number of Internal Audits completed in 2020/21 resulted in a Limited or Unacceptable Assurance Opinion. Further details are noted below.

- **Music Service Income – Limited Assurance**

A number of control weaknesses were identified by the audit team, including lack of clarity around management roles, inadequate segregation of duties, poor record keeping and the timeliness of lodgements. Whilst the final report was agreed in October 2020, progress on remedial action has been restricted by the Covid-19 pandemic – the Music Service was deactivated as part of the corporate response to the Covid-19 pandemic to enable resources to be redirected to other services deemed critical. The service resumed in September 2021 with the return of pupils to class-room learning.

### Governance Statement

- **Contract Cleaning – Limited Assurance**

A number of issues were raised by the audit around inconsistent working practices across different locations, inadequate guidance for staff, poor record keeping and insufficient management and quality control checks in some areas. The service continues to progress the recommendations, whilst delivering critical frontline services in the corporate response to Covid-19.

- **Strategic IT Planning – Limited Assurance**

Internal audit recommended that while the ICT division continue to provide IT services across EA, an ICT strategy and integrated strategic business case approval process (not a silo approach) needs to be established to ensure the strategic planning of ICT resources continues to meet the needs and requirements of EA.

- **Treasury Management (part 2) Accounts Receivable – Limited Assurance**

There is currently no clearly defined organisational structure in the accounts receivable function, and resource pressures in the accounts receivable function are contributing to an inefficient debt recovery process. Information required by Credit Control and Claims and Insurance Teams to pursue debts is often difficult to obtain from internal EA services. The total value of accounts receivable as at the date of the audit was over £7M, £2.5M of which was due over 180 days. A significant portion of declared irrecoverable bad debts have not been written off since March 2018. Resource pressures continue to be an issue across the Finance and ICT directorate, limiting progress in this area.

### Other Audit Assignments

Internal Audit also carried out the following assignments, however no assurance rating is provided as the nature of the consultancy assignments do not result in an assurance rating.

- **Review of Governance at a Primary School**

This review was conducted at the request of the Chair of the Board of Governors. A number of control and governance issues were identified and a large number of recommendations were made, which were all accepted by the school.

- **Use of private school funds at a post-primary school**

This investigation arose out of whistle blowing allegations. It was found that the allegations were largely substantiated. An action plan based on the findings was shared with the Principal, the Board of Governors at the school, and appropriate EA officers.

- **Investigation at a primary school**

An anonymous whistle blower raised an issue in relation to cash payments being made by the Principal for school cleaning services. The allegations were found to be substantiated and recommendations were made and accepted in relation to best practice.

### Governance Statement

- **Investigation into use of Technology Equipment at a post-primary school**

This investigation was conducted at the request of the school Principal. It examined concerns around the misuse of a MIG welder within the technology department. A number of issues were confirmed and a number of recommendations have been accepted.

- **Review of completed VG / GMI Voluntary Exit Scheme (VES) applications**

A number of issues were identified in relation to compliance with scheme rules and errors in the calculations. Work is ongoing to address these issues and enhancements to the control arrangements governing the VES scheme have already been implemented.

### Quality of Data

EA relies on information from several sources to inform its deliberations. These are:

- statistical information (for example, data relating to school enrolments, free school meals, attendance, workforce, SEN);
- financial information (including monthly monitoring reports on capital and resource expenditure and the preparation of the Annual Accounts);
- human resources information (including data on attendance management);
- schools data;
- SEN data;
- estates management information;
- internal and external audit evidence (mainly used to assess the effectiveness of systems and processes); and
- ETI Reports.

Having inherited many data sets from the legacy organisations, EA continues the process of moving from out of date data sets to updated, single EA ones. As a single data management policy was not adopted by the legacy organisations, inconsistencies exist in the data collected and stored. This presents challenges in the procurement of single systems and in maintaining the quality of reports which transcend the old and the new.

In 2020/21, EA appointed a Data Analytics and Insights Manager and established a corporate Data Strategy. The strategy identifies high priority initiatives to improve data management and to support effective business analysis and decision making on all levels. A Data Quality Framework has been initiated to assure that data is fit for consumption and meets the needs of data consumers. The framework is used to define and agree data definitions and data quality metrics. A data quality working group within statutory operations has met weekly from the start of 2021 to start embedding the framework within that service. A Data Governance Programme was established, with the first Steering Committee meeting held in October 2021. The data governance programme is the foundation to embed the data quality framework across the wider organisation.

During the year, EA appointed a Corporate Performance Manager and initiated a Performance Management Framework. A list of corporate performance metrics has been developed and agreed for each directorate. The framework is used to define and agree performance targets



## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

and baselines for key metrics, and to identify and develop appropriate data sources to enable effective and accurate monitoring. A corporate dashboard has also been developed since April 2021.

As part of the wider corporate governance arrangements, Assistant Directors completed assurance statements, reviewing the control environments for which they are responsible. The results of these statements were reviewed by Directors to ensure that a comprehensive assessment of the current control issues has been made and that all potential areas of significant risk are being addressed within the internal control environment and audit plan. The Directors provided an assurance statement to the Chief Executive in relation to those areas for which they were responsible, covering:

- corporate governance;
- systems of internal control;
- risk management;
- fraud and losses;
- statutory duties;
- information security; and
- issues of concern for inclusion in the governance statement.

The Board considers the information contained in papers presented to them by appropriate senior officers to facilitate decision making.

Papers are prepared by officers and subject to initial review by the relevant Directorate Management Team (consisting of the relevant Director and Assistant Directors) and Corporate Leadership Team (consisting of the EA Directors), before presentation to Committee. Directors have monitoring arrangements in place to ensure the accuracy of data used for decision making.

EA is also reliant on external data to help make informed decisions. Whilst EA seeks to establish the accuracy of any such external data, it has been generated from outside the control of EA and EA takes this into account in assessing the level of assurance that can be taken from it.

### Ministerial Directions

There were no Ministerial Directions issued to EA during the year.

### Risk Assessment

The Board has responsibility for ensuring that an effective risk management process is in place and regularly reviewed. In discharging this responsibility, it is supported by its Audit and Risk Assurance Committee and its Internal Audit Service.

A Risk Management Strategy and Policy is in place, developed by the Risk Management Group and endorsed by the Chief Executive and Audit and Risk Assurance Committee. The Risk Management Strategy outlines the strategic approach to risk management and details a formal process for identifying, assessing, managing and monitoring risks, including a prioritisation methodology based on risk ranking of impact and likelihood.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

Risk management is continuing to evolve as the processes become fully embedded into EA’s business and services and it increasingly features within the corporate and business planning process. The Corporate Risk Register identifies key risks that could militate against the achievement of the corporate objectives and actions that are taken to reduce those risks. The Corporate Risk Register is considered to be a living document as the mitigation of risks is under continuous review.

The main risks identified during the 2020/21 year are noted below.

1.	<p><b>EA</b> needs to ensure continuity of learning for children and young people</p> <p><b>IF</b> they do not receive learning on a regular and consistent basis</p> <p><b>THEN</b> attainment levels will decrease and children and young people won’t be able to achieve their full potential.</p>
2.	<p><b>EA</b> must comprehensively transform SEND services to children and young people across NI</p> <p><b>IF</b> an effective SEND Strategic Development Programme is not developed and implemented (including the provision of necessary resources and funding)</p> <p><b>THEN</b> a significant proportion of children and young people with SEND will not be able access the high quality support that they require.</p>
3.	<p><b>EA</b> must effectively manage safeguarding and child protection issues</p> <p><b>IF</b> it does not continue to improve on its procedures and learn from experience</p> <p><b>THEN</b> it is at risk of failing to provide a safe and secure environment for children and young people.</p>
4.	<p><b>EA</b> must deliver a balanced resource budget</p> <p><b>IF</b> an effective recovery and transformation programme is not implemented and progressed</p> <p><b>THEN</b> it is possible that EA will not be able to deliver a high quality and sustainable education system for children and young people.</p>
5.	<p><b>EA</b> must establish a corporate governance framework which is reflective of a regional service delivery organisation</p> <p><b>IF</b> a structure is not established and effective in leading and managing governance across EA</p> <p><b>THEN</b> EA is at risk of having an inadequate culture of accountability, consistency and responsibility.</p>



Governance Statement

6.	<p><b>EA</b> must deliver a network of educationally, fit for purpose and financially sustainable schools</p> <p><b>IF</b> EA is not effective at progressing area planning and investment</p> <p><b>THEN</b> children and young people will not have access to the high quality education system that they require.</p>
7.	<p><b>EA</b> needs to deliver strategic projects in an appropriate timeframe to ensure continuity of service and</p> <p><b>IF</b> project timescales are not met and EA encounters resourcing and funding issues</p> <p><b>THEN</b> it is possible that children, young people and schools will not have access to the high quality systems that they require.</p>
8.	<p><b>EA</b> must have a highly engaged and high performing system wide workforce</p> <p><b>IF</b> EA does not invest in its workforce and deliver service improvements</p> <p><b>THEN</b> children, young people and schools will not be provided the education support service they deserve.</p>
9.	<p><b>EA</b> must effectively manage its continuity of services during the COVID-19 emergency, however</p> <p><b>IF</b> it does not deliver its duty of care to provide a safe and secure environment for children, young people, schools and employees</p> <p><b>THEN</b> it is possible that there will be health and wellbeing issues and a risk of not being resourced to deliver critical services to enable schools to remain open in the new school year.</p>
10.	<p><b>EA</b> must ensure continuity of provision of ICT services for corporate EA staff</p> <p><b>IF</b> there is interruption of access to EA’s ICT services</p> <p><b>THEN</b> EA is at risk of very significant disruption and delay in EA’s ability to deliver critical services effectively to support children, young people and schools.</p>
11.	<p><b>EA</b> must effectively manage the placement of SEN children in schools</p> <p><b>IF</b> children are not provided with placements before the start of term</p> <p><b>THEN</b> SEN children and young people will not be provided the education support service they are entitled to.</p>

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

Each of these risks and the management actions to mitigate the impact of the risks are detailed in the Corporate Risk Register and this is regularly reviewed by the Corporate Leadership Team and the Audit and Risk Assurance Committee.

### Government Funding Database

With regard to the Government Funding Database, the requirements of Finance letter FD (DFP) 17/05 have been adhered to, including that data input is complete and accurate, that the database was consulted prior to funding being approved in order to protect against fraud or duplicate claims and that awards and payments were recorded in a timely manner and that due regard was given to the application of standards set out in 'Best Practice in Governance and Finance in the Voluntary and Community Sector Manual', as referred to in FD (DFP) 17/05, and application of the principles set out in the 'Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector', as referred to in DAO (DFP) 08/15.

### Data Protection

With regard to Data Protection, EA ensures that the personal data it holds is processed in line with the principles of the Data Protection Act 2018 (DPA) and the UK General Data Protection Regulation (GDPR).

During 2020/21, EA reported three personal data breaches to the Information Commissioner's Office (ICO). EA has received decision notices from the ICO in relation to the three personal data breaches reported. The ICO decisions in relation to each of those data breaches was that no further action was required by the ICO. During 2020/21, EA also received a decision from the ICO in relation to a personal data breach that was reported to the ICO during 2018-19. The ICO decision in relation to that data breach was that no further action was required by the ICO.

When a personal data breach occurs, the EA's Information Governance team liaises with the relevant service to investigate how the incident occurred, the manner in which it was dealt with and what action can be taken to prevent future similar breaches.

In response to the COVID-19 pandemic EA's Information Governance team published data protection guidance for non-school based EA Staff and school based staff. This guidance highlighted to staff their data protection responsibilities when working remotely and set out guidance for staff on how to ensure information security.

EA continues to develop policies, procedures, structures and training programmes to support effective management of personal data and to ensure compliance with the DPA and GDPR. In particular, EA has developed mandatory data protection training videos which all EA corporate staff are required to complete and such training has been included in the EA corporate induction pack for new staff. This mandatory data protection training includes guidance for staff on how to ensure information security when working remotely.

In addition, EA has developed a range of GDPR resources and guides for schools to promote awareness of the legislation and to support schools in understanding and complying with GDPR. This includes an online resource hub containing guides and templates, a dedicated telephone helpline and email address for advice and support and a number of videos outlining the key requirements. In particular, data protection training videos for school staff have been made available for schools on the online resource hub.

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

#### National Fraud Initiative (NFI)

The Comptroller and Auditor General (C&AG) for NI has been given statutory powers to conduct data matching exercises for the purposes of prevention and detection of fraud.

EA is fully engaged with this process, which is undertaken every two years and analyses data submitted by a wide range of public sector bodies participating in the NFI. EA submits a range of data sets, which are matched against the data sets uploaded from other public organisations including UK local authorities, a number of housing associations and student loans company. The data sets cover areas such as payroll, taxi licencing and deaths records.

Following EA engagement in the 2020-21 NFI exercise, 2,436 data matches were identified. Over 10% of these matches were investigated with a focus on areas of higher risk. This exercise identified several matters which have since been followed up or referred to Internal Audit for further investigation. The 2020-21 NFI exercise was concluded in 2022 and a findings report produced for presentation to Senior Management and the Governance and Risk Assurance Committee (GRAC).

#### Voluntary Exit Scheme (VES)

During 2020/21 EA sought funding from DE for unavoidable redundancies relating to teaching and non-teaching positions in schools. Communication issued to all schools on 8 June 2020 by EA as funding authority confirmed that only 'Priority 1' unavoidable non-teaching and teaching redundancies were proceeding in 2020/21, i.e. redundancies arising from school closures/amalgamations (closing or amalgamating in August 2020) or coming out of a collective agreement in August 2020; school relocation or change of school premises/ new building; and SEN funded posts due to changes to SEN provision within a school.

All unavoidable Priority 1 redundancies in 2020/21 have been approved through the EA Scrutiny Panel (Director of HR and Legal Services, and Director of Finance and ICT). VES and redundancy payments require approval by the Scrutiny Panel under the EA Authorisation framework (section 3.8).

There was no corporate VES for non-school based posts operated within EA in 2020/21.

#### Health and Safety

It is a legal requirement that all places of work have a health and safety policy, which staff should be made aware of and adhere to. I am satisfied that a fit-for-purpose health and safety policy is in place and is reviewed regularly.

The revised EA Health and Safety Policy sets out EA's general approach and commitment to health and safety including arrangements in place for managing health and safety risk throughout EA. A key focus of the policy is to ensure that EA has effective safety management systems and arrangements in place to mitigate all identified health and safety risks, whilst retaining the flexibility to identify and mitigate new and emerging risks such as COVID-19.

I am also satisfied EA has complied with all of its duties under health and safety legislation.

### Governance Statement

#### Significant Issues Faced During 2020/21

##### a) Matters from previous year that are now closed

###### CoPE Accreditation

EA achieved successful CoPE accreditation on 24 May 2020.

##### b) Matters from previous year that are ongoing

###### COVID-19

EA established an 'Education through Covid-19' (ETC) Programme on 30 September 2020. This programme ensured that EA remained in a COVID-19 response mode to support schools, youth services and other educational settings. EA also agreed criteria for ETC priorities across the academic year, aligned to DE plans. EA focussed on these priorities and time-critical statutory services by diverting resources as required.

A key challenge was supporting schools and ensuring quality education provision during periods of remote learning. To support schools a Cross Organisational Link Officer network was established ensuring all schools had an individual point of contact. In addition an EA 'Supporting Learning' website was developed through the C2K platform to provide access to a range of support and guidance materials. This includes teacher professional learning materials, case studies and a range of resources.

In early December 2020, EA provided a checklist on readiness for home learning for all schools via the C2K noticeboard.

EA continued to co-ordinate and maintain good governance in its response to the COVID-19 emergency through this ETC programme by ensuring the following interdependencies were realised.

- Learning and Wellbeing – Children and young people can continue to engage with their teachers and peers to progress educationally.
- Leadership – School and system leaders can access and direct resources to enable learning to continue.
- Logistics – Available resources are adapted, modified and positioned so that school and system leaders can draw upon them when needed; whilst ensuring the health and safety of the whole school community.

The ETC programme team comprised of a steering group and four work-streams:

- Supporting Continuity of Learning and Well-Being Through COVID-19;
- Supporting Schools, Educational Settings and EA Services through COVID-19;
- Planning Service Delivery through COVID-19; and
- Supporting Vulnerable Children and Young People through COVID-19

The Education Minister outlined a significant package of funding to help support the safe delivery of education throughout 2020/21. Total funding received during 2020/21 to assist

### Governance Statement

EA and schools in responding to the COVID-19 pandemic was £150.96m. £37.25m of this funding was allocated directly to schools across the following funding streams:

- Personal Protective Equipment (PPE);
- General Restart;
- Health and Well Being;
- Engage; and
- COVID-19 funding was also allocated to a range of EA services.

Schools have also received funding for costs incurred during periods of closure to cover loss of income and this amounted to £4.537m.

The total funding received by EA was spread across 35 separate funding streams. EA put arrangements in place with schools to ensure that COVID-19 expenditure was properly identified and monitored, this enabled appropriate assurance to be provided to the Minister around the utilisation of the earmarked COVID-19 funding provided.

### Transformation and Financial Recovery

In 2019/20, EA identified the need for a recovery plan that would bring EA and schools onto a stable and sustainable financial footing. It is anticipated that it will take three to five years to ensure the appropriate measures to achieve this plan can be fully considered, evidenced, consulted upon and implemented.

However, all schools with a significant deficit are considered by the Area Planning Local Groups on an annual basis for inclusion in the Annual Action Plan. Whilst financial criteria alone would not on its own lead to inclusion, these schools are assessed in relation to all six Sustainable Schools Policy (SSP) criteria and the Minister's priorities.

EA has developed a 4-phase Transformation and Recovery Strategy that will secure financial recovery and align with EA and DE transformation activities. The 4 phases cover readiness, grip and control, tactical projects and major transformation. A programme management framework is in place and the priorities of both the EA Transformation Team and the Continuous Improvement Team have been re-aligned to support this.

Despite the impact of the COVID-19 pandemic, progress was made during 2020/21 on the readiness and grip and control phases of the Strategy and a tactical projects plan for implementation during 2021/22 was compiled. The tactical efficiency projects which EA prioritised for 2021/22 have been selected to ensure EA maximises potential cash savings, cost avoidance and non-cash productivity savings as far as possible. EA continued to press on with this programme of work in 2021/22 and will work closely with DE in taking forward this initiative.

### Teacher Industrial Action

Teacher Industrial Action was a significant issue faced by EA during 2019/20 and continued to be one for 2020/21. A Teachers Pay & Workload Agreement 2017 to 2019 between Teaching Negotiating Committee (TNC) Management-Side (MS) and NI Teachers' Council (NITC) was signed on 28 April 2020, bringing an end to industrial action in schools. DE have secured funding and began resourcing a Department led Workforce

### Governance Statement

Review project team to commence the agreed reviews in nine key areas, which are as follows.

- Review of Employment Model for Teachers;
- Review of use of Temporary and Substitute Teachers;
- Review of Workload;
- Review of Workload Impact on Teachers;
- Review of Workload associated with SEN;
- Review of Accountability Framework;
- Review of Consultation Agreement with Management and Teaching Unions;
- Review of Statutory Assessment at Key Stages 1, 2 & 3; and
- Review of initiatives to promote and support Teacher Health and Wellbeing.

Proactive cross functional EA leadership and involvement will continue to help prevent further breakdown in teacher industrial relations; risk to benefits realisation due to failure to deliver; or a delay to the work streams associated with Teacher pay agreement. This includes EA representation on the Project Oversight Group which had its inaugural meeting on 25 February 2021.

On 2 March 2021, NITC formally accepted MS's offer for teachers' pay 2019/20 and 2020/21. The Agreement reached on pay gave effect to a pay award for all teachers in NI of 2% payable from 1 September 2019 and an additional 2% payable from 1 September 2020. The pay award was implemented in the May 2021 payrolls.

### Education Other Than At School (EOTAS) provision

EOTAS provision was a significant issue faced by EA during 2019/20 and continued to be one for 2020/21 as accommodation remained insufficient and of poor quality.

Publication of the ETI Review report on EOTAS was delayed to 2021 due to COVID-19, however findings of the evaluation were shared with EA in July in 2020. A programme was developed and commenced in April 2021 to ensure that all young people registered with EOTAS had an educational setting they could attend in September 2021.

### Strategic Area Plan 2017 to 2020

The Strategic Area Plan 2017 to 2020 was a significant issue faced by EA during 2019/20 and continued to be one for 2020/21.

On 28 April 2017, EA, on behalf of the Council for Catholic Maintained Schools (CCMS), Comhairle na Gaelscolaíochta, NI Council for Integrated Education, the Governing Bodies Association, the Controlled Schools' Support Council and the Catholic Schools Trustees' Service published 'Providing Pathways – A Strategic Area Plan for School Provision 2017 – 2020' (the Area Plan), with an accompanying Area Plan Annual Action Plan.

The Minister of Education highlighted that the challenge that faces almost all Local Government Districts is that many schools are too small to adequately provide for their



### Governance Statement

pupils and ensure they have the opportunity to fulfil their potential, particularly primary schools with more than two composite classes and sixth forms with fewer than 100 pupils.

Area Planning was stood down on 23 March 2020 by the Minister, due to the COVID-19 pandemic and the closure of schools. The Minister outlined his priorities at the Area Planning Steering Group (APSG) meeting held on 21 October 2021. Through the APSG EA agreed with DE that the period covered by the Area Plan should extend to 31 August 2022 to facilitate the completion of the outstanding actions from the previous Annual Action Plans and to facilitate joint work to develop a new Area Plan from 1 September 2022.

The Action Plan for 2020/21 identified 164 work streams, with an additional 12 newly added work streams in November 2021, across primary, post-primary and special schools. Within the two year Action Plan at 31 March 2021, 39 work streams have progressed to publication of a development proposal, 19 are at pre-publication consultation stage, 6 have identified options, 23 have been removed from the plan as they do not require an area planning solution at this stage, with 78 to be progressed in the 2021/22 year (including 44 related to Special schools and Special in Mainstream). The Action Plan for 2020/21 has been reprioritised to reflect and deliver the Minister outlined priorities – as such the AAP has been extended to 31 August 2022 to facilitate this action.

### Financial Position

EA's total DE recurrent budget allocation for 2020/21 was £2,361m, including an allocation for Youth of £37m (2019/20 £2,067m including Youth £36m). EA continued to provide services in a constrained and challenging financial environment, which has been further exacerbated by the rapid spread of the COVID-19 pandemic. In 2020/21 the COVID-19 pandemic presented an unprecedented set of challenges across the Education sector as school leaders sought to maintain safe educational provision in compliance with the rapidly evolving nature of the Executive's response to the COVID-19 pandemic.

The Minister for Education provided a significant package of funding in 2020/21 (£147m) to support EA and schools in effectively implementing the Department's guidance in line with the Executive's Pathway to Recovery document, and further net funding to address pressures of £144m was provided in 2020/21.

In this context, EA has worked to implement its budget strategy which protects frontline services to schools, children and young people and to absorb in year pay and price pressures.

A significant proportion of EA's overall budget is delegated to schools with Boards of Governors and Principals having delegated authority in respect of financial management.

In 2020/21 due to a combination of increased financial support to fund responses to COVID-19 and disruptions to educational provision with many schools experiencing periods of closure, a number of schools reported an improved financial position with 515 schools closing the 2020/21 financial year in deficit compared with 555 in 2019/20, and 478 schools ending the 2020/21 financial year in a surplus position compared with 451 in 2019/20.

### Governance Statement

EA surrendered £16m of schools' surpluses to secure access to the funding in future years. This, combined with proactively controlling in year expenditure, has enabled EA to report an overall underspend against budget allocations of £10m excluding DfE.

However, despite this position the sector continues to face significant financial challenges. In schools and in EA, while budgets have been falling in real terms, cost pressures have continued to increase as has demand for statute and contract-based services. This has led to ongoing issues with the sustainability of the education sector.

The EA continues to support schools to deliver excellent educational outcomes in a challenging financial climate and has continued to work with DE to mitigate the impact of financial challenges on schools, children and young people.

### New HR and Payroll System

The new HR and Payroll System (EA One) was a significant issue faced by EA during 2019/20 and continued to be a significant issue for 2020/21.

The EA One Project had been scheduled to go-live with the HR & Payroll solution in the Belfast office on the 1 April 2021; followed by an implementation path to migrate all twelve payrolls by 31 March 2022. However, the announcement of the extended COVID-19 lockdown restrictions in late December 2020 required the project to further consult with schools on their ability to accept the solution at that point.

Based on feedback from schools, the EA One Project Board delayed the go-live dates in April 2021 and commenced engagement with all stakeholders on revised roll out dates.

Extensive engagement was completed with stakeholders, including:

- schools representatives;
- EA One Schools' User Group;
- the Education Through Covid-19 Group;
- DE; and
- trade unions;

The EA One Project Board confirmed commencement of the implementation of the HR & Payroll solution for October 2021. The extended pre-implementation period was used to build assurance with end users with migration of ten EA payrolls expected to be completed by 31 March 2023 and two DE Teachers payrolls by 30 June 2023.

### Special Educational Needs

SEN was a significant issue faced by EA during 2019/20 and continued to be a significant issue for 2020/21.

The targeted improvement project, initiated in early 2020, was highly effective. Statutory assessment procedures and systems have been re-configured and staff supported in improving overall service quality. As of 31 March 2021 no child has waited more than 26 weeks for a statutory assessment.



### Governance Statement

Wider improvement work continues within the project, including the roll out of an online referral form for assessment, enhancements to the case tracking system and the provision of a bespoke professional development and wellbeing programme for staff. A key element of the remaining work is to institute a long-term staffing structure which will enable continued compliance with the requirements of the Special Educational Needs and Disability (SEND) Act (and will facilitate a reduction in statutory assessment timeframes from 26 weeks to 22 weeks). The project is governed under the SEND Strategic Development Programme (SEND SDP) - established to co-ordinate delivery of the wider change agenda across NI's SEND system. Stakeholder satisfaction and feedback regarding the statutory assessment process will be continually gathered over the next two years as part of the wider SEND SDP.

### Education Information Solutions Programme (EdIS)

The EdIS programme replaced the programme formally known as Education Technology Services (ETS) and was officially launched in March 2022. EdIS is designed to develop solutions for education and support delivery of both EA's and DE's corporate objectives - EA's ten year strategic plan (2017 to 2027), notes the importance of continuous improvement so that EdIS can evolve at a pace in line with continued technological advancement. While the EdIS programme is developed, ICT Managed Services established by the legacy Education and Library Boards continue to be provided through the Education Network NI (EN(ni)) project.

EdIS is a change programme designed with children and young people and their learning experience at its centre. It will facilitate the transformation of learning and teaching through technology with continuous improvement at its core, and will transform children and young people's learning experience, develop skills for the future, support programmes to improve educational outcomes and facilitate professional learning for school staff over the next 10 years and beyond. EdIS will provide a fully integrated and interoperable education service for schools which will provide anywhere, anytime access to, and support for services relating to school improvement, teaching and learning.

The EdIS Education Service for Schools Programme structure has been defined and continues to be resourced to meet procurement and initial implementation delivery needs. Four projects sit under the programme of work:

1. Network;
2. School Management and Development;
3. Storage and Compute; and
4. User Devices.

Further information on the EdIS programme may be found at [Education Information Solutions Programme \(EdIS\) | Education Authority Northern Ireland \(eani.org.uk\)](https://eani.org.uk/education-information-solutions-programme-edis).

### c) New matters arising during 2020/21

#### SEN – NIAO, PAC and wider scrutiny reports

Stakeholder concerns regarding the availability, targeting and effectiveness of SEN supports across NI's education system have been consistently raised over the last decade. Ultimately this led to the SEND Act (NI) 2016 (currently being implemented), a

### Governance Statement

NIAO report in 2017 and EA's own audit of practice on statutory assessment in 2019. A range of actions were taken to address the resulting recommendations, including the EA's Statutory Assessment Improvement project. In 2020/21 a range of additional external reviews highlighted how far EA has yet to go in delivering the services and supports children and families need.

Across the year, reports were published by the NI Commissioner for Children and Young People (NICCY), the NIAO, DE, the ETI, CCMS and the NI Assembly's Public Accounts Committee. Between them they made more than 150 recommendations for change. I accepted the validity and urgency of the change agenda when providing evidence to both the NI Assembly Education Committee and Public Accounts Committee.

Delivering the change agenda will be a challenging undertaking and it will impact on all schools and education settings, as well as over a dozen different public agencies and services. Given this complexity, I agreed with the DE Permanent Secretary that a single governance structure should be established to co-ordinate all the associated work streams and policy developments, whilst also ensuring stakeholders were fundamentally engaged in the programme's design and implementation.

In October 2020, the SEND Strategic Development Programme (SEND SDP) was established, and as the programme's Senior Responsible Owner, I chair its governing Board. The Board includes senior officials from DE, Department of Health, ETI, CCMS, with NICCY in an advisory role to the Board. A standing stakeholder reference group has been established to ensure the views of parents, carers, children and young people, community and voluntary sectors and wider education bodies are continually and pro-actively fed into the decision-making process. Additional mechanisms continue to be established to engage school leaders, staff and Trade Unions in the programme's development and roll out.

Stakeholder engagement has advised on the development of a programme plan mapping out the first two years of implementation. The plan was submitted to the Education Minister for consideration, with first wave projects expected to be rolled out across the next two academic years. The SEND SDP is a long-term undertaking, which will need the support and co-operation of all EA stakeholders over the coming years, but I am confident that it will ultimately allow us to deliver the programme vision which is that:

*All children and young people with SEN or disabilities and their families are receiving the tailored and effective supports that they need to secure the best educational outcomes, delivered by a child-focused, responsive, co-ordinated, transparent, efficient and sustainable system.*

### Admissions for September 2021

Due to impact of COVID-19 the timetable for post-primary admissions in September 2021 was compressed to facilitate a later operation of the non-regulated transfer tests and the completion of the admissions process to ensure parents are notified of placements by the end of the academic year.

To ensure compliance with the timetable and COVID-19 restrictions, EA developed a digital post-primary admissions process. Central to this was the establishment of an 'Online Post-Primary Admissions Portal'. The portal facilitates online application receipt,

### Governance Statement

evidence upload for special circumstances, management of special circumstances, pupil selection by schools, and onward forwarding of pupils to second, third and fourth preferences.

The online portal opened for applications on 1 March 2021 in line with the published admissions timetable.

### Special Schools Admissions

Each year children are identified as requiring either a new placement or a change of placement - as a result of undergoing the Statutory Assessment Process to determine appropriate provision and placement for the first time, or due to the Annual Review of their provision and placement. The Statutory Assessment Process will continue to identify new children throughout the year.

As at 12 April 2021, there were 658 pupils in NI requiring placement in a special school for September 2021. The children identified were successfully placed within existing available provision. However there are capacity pressures across areas for which ongoing work is addressing.

### Irregular Spend due to Overpayment of Parental Payments for pupils with complex SEN needs

EA makes Parental Payments for pupils with complex SEN needs. A Parental Payment is provided if a pupil is entitled to transport assistance but it is not possible or appropriate to provide a seat on a vehicle. It is a contribution towards the cost of alternative arrangements, not a full reimbursement of costs. Administration for Parental Payments for pupils with complex SEN needs in 2020 was paper based and required engagement between the claimant, EA and the school attended.

Parental Payments were made in April 2020 for the maximum operational period in the preceding month, March 2020 (21 days). At this time EA was dealing with unprecedented challenges in its response to the first COVID-19 pandemic lockdown – EA had declared a major emergency and was operating its structures with a focus on delivering critical services.

All schools closed with effect from 23 March 2020 due to the onset of the COVID-19 pandemic. In making the Parental Payment in April 2020, EA's primary focus was in ensuring that payment would continue to be made to the recipients in order to support some of the most vulnerable in society. However, seven of the days paid would not have been payable under normal circumstances and thus were overpaid. The portion of the payment relating to the seven days that the schools were closed is deemed to be irregular spend due to an overpayment. The total irregular spend was £17,915.91 relating to 190 individual pupils with complex SEN needs. The March payment was the last payment made for the 2019/20 school year, with no further payments for April, May or June 2020.

### Independent Landscape Review of the Education Authority

The Department of Education published the Independent Landscape Review of the Education Authority (EA) on 22 June 2022. The Review was carried out by the consultancy firm Baker Tilly Mooney Moore. Its purpose was to consider the overall operation and governance of EA, and the extent to which it is effectively able to deliver against stated Executive and Departmental policies. The Education Authority welcomes

## ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE REPORT

### Governance Statement

the Review. The EA Board and Corporate Leadership Team, in collaboration with the Department of Education and wider partners, are considering the report in full and will respond positively and constructively to the recommendations.

### Conclusion

As Chief Executive and Accounting Officer for EA, I can confirm that the Governance Statement has been formally reviewed by the Audit and Risk Assurance Committee, that it is complete and accurately reflects the latest assessment of the state of governance within EA.

A handwritten signature in black ink, appearing to read 'Sara Long', enclosed in a thin black rectangular border.

**Sara Long**  
**Accounting Officer**

**4 August 2022**

## **Accountability Report – Remuneration and Staff Report Remuneration Report**

### **Remuneration and Pension Entitlements**

The following sections provide details of the remuneration and pension interests of the Chief Executive, EA Board members and Directors of EA.

#### **Board Members**

The Chairperson of the board is paid by EA at a rate and on such conditions as determined by DE. EA makes payments to board members at rates and on such conditions as determined by DE. Board members also receive travelling and subsistence allowances. The mileage allowance rates agreed by the National Joint Council for Local Government Services are applied. No board members receive or make pension contributions.

#### **Chief Executive and Directors**

Ms Sara Long was the Chief Executive of EA for the 2020/21 year.

The contractual remuneration of the Chief Executive and Directors consists of salary and pension contributions. Chief Executive and Director basic salary levels are subject to scales and ranges approved by DE and, where required, the Department of Finance (DoF). The basic salary is further enhanced in accordance with a performance management framework with a process to ensure that objectives are demanding, achievable and fair. Objectives for the Chief Executive are set and reviewed by the EA Chairperson and for directors by the Chief Executive. Oversight of the process is exercised by the Remuneration Committee.

Objectives are informed by the strategic direction and performance objectives set for EA by DE and are defined and agreed with time-based targets. Any performance related allowances paid to the Chief Executive and Directors must also be approved by DE and, if necessary, DoF.

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 Committee Members**

##### **April 2020 to March 2021**

Ms Sharon O'Connor  
Mrs Monica Culbert  
Miss Rosemary Rainey OBE  
Ms Nuala Toman

The Remuneration Committee met once during the year.

#### **Service Contracts**

Officer appointments are in accordance with the Joint Negotiating Council for EA terms and conditions. Unless otherwise stated overleaf, the officers covered by this report hold appointments until their retirement. The normal period of notice is three months. Policy on termination payments in relation to premature retirement is in accordance with Local Government Regulations and the redundancy provisions.

## Accountability Report – Remuneration and Staff Report

### Remuneration Report

The following sections provide details of the remuneration and pension interests of senior post holders within EA.

Salary including Allowances - Audited Information								
	2020/21				2019/20			
	Salary inc allowance (Note 1) £000	Performance related pay £000	Pension Benefits (Note 2) £000	Total £000	Salary inc allowance (Note 1) £000	Performance related pay £000	Pension Benefits (Note 2) £000	Total £000
<b>Ms Sara Long</b> Chief Executive	135-140	0-5	59	195-200	140-145	0-5	389*	530-535
<b>Dr Clare Mangan</b> Director of CYPS	95-100	0-5	34	130-135	95-100	0-5	30	125-130
<b>Ms Clare Duffield</b> Director of Human Resources	85-90	0-5	30	120-125	85-90	0-5	30	115-120
<b>Mr Seamus Wade</b> Acting Director of Finance and ICT (from 11-2-19 to 22-3-20) Director of Finance and ICT (from 23-2-20)	85-90	0-5	28	110-115	85-90	0-5	28	110-115
<b>Mr Dale Hanna</b> Director of Operations and Estates	85-90	0-5	31	115-120	85-90	0-5	78	160-165
<b>Mrs Michele Corkey</b> Director of Education (from 01.03.20)	90-95	0-5	28	120-125	5-10 (85-90 full year equivalent)	0-5	2	5-10
<b>Ms Una Turbitt</b> Interim Director of CYPS (from 27.04.20)	75-80	0-5	25	100-105	-	-	-	-

## Accountability Report – Remuneration and Staff Report

### Remuneration Report

<b>Mrs Kim Scott</b> Director of Education (Acting) (01.01.19 to 29.02.20)	-	-	-	-	75-80 (85-90 full year equivalent)	0-5	102	180-185
<b>Ms Joyce Bill</b> Director of Finance and ICT (until 31.08.19)	-	-	-	-	75-80	0-5	14	85-90

\* Ms Long's Pension Benefits in 2019-20 included transferred in benefits from service in 2018-19. The transfer in of benefits is excluded from the Pension Benefits figure in the year that the transfer is received, but is included in the subsequent year's Pension Benefits.

#### Note 1: Salary including Allowances

Salary is based on actual salary earned for the year. It includes gross salary and taxable allowances but excludes employer's costs and the payment of legitimate expenses such as travel reimbursements. Performance-related pay is accrued based on actual performance in 2019/20 which becomes due in 2020/21.

#### Note 2: Pension Benefits

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

#### Benefits In Kind

Senior post holders do not receive non-cash benefits (benefits-in-kind).

#### Performance-Related Pay

Performance-related pay is not a bonus but facilitates progression through the pay range for the individual as determined by their performance.

Targets generally are derived at the beginning of each year and are informed from EA's business plan and assigned to individual members of the senior leadership team. Performance is assessed at the end of the year and establishes the salary for the individual for the year ahead.

#### Pension Schemes

EA participates in two principal schemes, the Teachers' Superannuation Scheme (TSS) and the NI Local Government Officers' Superannuation Committee Scheme (NILGOSC). EA's Chief Executive and Directors participate in the NILGOSC pension scheme.

The NILGOSC is a defined benefit scheme, the assets of the schemes being held in separate trustee-administered funds. EA's contribution to the NI Local Government Pension Scheme is determined by the fund's actuary, based on a triennial valuation. The scheme is administered by NILGOSC, Hollywood Road, Belfast.

## Accountability Report – Remuneration and Staff Report

### Remuneration Report

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2019. The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was met at the last formal valuation date. The next valuation is due to be carried out at 31 March 2022.

The current funding level was 112% at 31 March 2019 (96% at 31 March 2016) leaving a funding surplus of £836.9m. The aggregate Employer total contribution rate required to restore the funding to 100% using a recovery period of 20 years from 1 April 2020, is 19.6% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with assumptions).

The contributions payable by each Employer may differ because they allow for each Employer's membership profile, funding ratio, assumptions and recovery periods appropriate to their circumstances.

From 1 April 2020, the EA Employer contribution rate reduced to 19.5% due to the possible impact of the COVID-19 crisis.

Individual member contributions depend on salary and are between 5.5% and 10.5% of pensionable pay. Contributions depending on salary for 2021/22 are as follows:

Pensionable Pay	Contribution Rate
£0 - £15,000	5.5%
£15,001 - £23,000	5.8%
£23,001 - £38,400	6.5%
£38,401 - £46,600	6.8%
£46,601 - £92,300	8.5%
More than £92,300	10.5%

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which EA 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.

In accordance with IAS 19 'Retirement Benefits', the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by EA are charged to the Statement of Comprehensive Net Expenditure or the Statement of Changes in Taxpayers' Equity.



**Accountability Report – Remuneration and Staff Report**  
**Remuneration Report**

<b>Pension Entitlements - Audited Information</b>					
	<b>Accrued pension and related lump sum at pension age as at 31/3/21 £000</b>	<b>Real increase in pension and related lump sum at pension age £000</b>	<b>CETV at 31/03/21 to nearest £000</b>	<b>CETV at 31/03/20 to nearest £000</b>	<b>Real increase in CETV* to nearest £000</b>
<b>Ms Sara Long</b> Chief Executive	55-60 Plus lump sum of 0	2.5-5 Plus lump sum of 0	739	677	43
<b>Dr Clare Mangan</b> Director of CYPS	15-20 Plus lump sum of 0	0-2.5 Plus lump sum of 0	258	216	31
<b>Ms Clare Duffield</b> Director of Human Resources	5-10 Plus lump sum of 0	0-2.5 Plus lump sum of 0	102	78	16
<b>Mr Seamus Wade</b> Acting Director of Finance and ICT (from 11-2-19 to 22-3-20) Director of Finance and ICT (from 23-2-20)	5-10 Plus lump sum of 0	0-2.5 Plus lump sum of 0	74	50	16
<b>Mr Dale Hanna</b> Director of Operations and Estates	25-30 Plus lump sum 25-30	0-2.5 Plus lump sum 0-2.5	394	365	21
<b>Mrs Michele Corkey</b> Director of Education (from 01.03.20)	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	26	2	15
<b>Ms Una Turbitt</b> Interim Director of CYPS (from 27.04.20)	0-5 Plus lump sum of 0	0-2.5 Plus lump sum of 0	57	-	16
<b>Mrs Kim Scott</b> Director of Education (Acting) (01.01.19 to 29.02.20)	-	-	-	603	-
<b>Ms Joyce Bill</b> Director of Finance and ICT (until 31.08.19)	-	-	-	72	-

\*The real increase in CETV figures include the value of pension benefits in other schemes or arrangements from which the individual has transferred to the EA's pension arrangements and for which NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed record.

## **Accountability Report – Remuneration and Staff Report Remuneration Report**

### **Compensation for Loss of Office – Audited Information**

No compensation payments were made during 2020/21 (one in relation to early severance during 2019/20).

### **Cash Equivalent Transfer Values (CETVs)**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the EA's pension arrangements and for which NILGOSC has received a transfer payment commensurate with the additional pension liabilities being assumed.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

When calculating the real increase in CETV and the pension benefits accrued during the year 2020/21 for the single total figure of remuneration, NILGOSC takes account of inflation. The Consumer Price Index (CPI) increase for September 2020 was +0.5%. The in-service revaluation rate for the Career Average Revalued Earnings Scheme was also +0.5%.

The final salary portion of the pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year plus the pension built up due to the post 31 March 2015 Career Average Revalued Earnings element of pension.

## Accountability Report – Remuneration and Staff Report

### Remuneration Report

#### Pay Multiples – Audited Information

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of EA's workforce.

The banded remuneration of the highest paid senior post holder in EA and the ratio to the median remuneration of the workforce is given in the table.

	<b>2020/21</b>	<b>2019/20</b>
Band of highest paid director's total remuneration (full year equivalent)	£135k-£140k	£140k-£145k
Median remuneration (teaching staff)	£37,870	£39,292
Ratio (teaching staff)	3.63	3.63
Median remuneration (non-teaching staff)	£18,380	£17,663
Ratio (non-teaching staff)	7.48	8.07

Total remuneration includes salary and non-consolidated performance-related pay. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The band of the highest paid senior post holder's remuneration of £135k-£140k excludes any salary arrears which were paid in year.

In 2020/21 no employee (2019/20: nil) received remuneration in excess of the highest paid senior post holder – the Chief Executive.

Remuneration ranged from £8k to £139k (2019/20 from £8k to £138k).

## Accountability Report – Remuneration and Staff Report

### Remuneration Report

#### Board Members – Audited Information

Ms O'Connor was chairperson until 31 December 2020, with the new chairperson, Mr Mulholland, taking up post from 1 January 2021. The total emoluments (including honoraria) of the chairpersons in total was £53,571 (2019/20: £53,404).

The highest payment for any other board member was £9,590 (2019/20: £12,029).

The aggregate amount of board members' emoluments was £232,534 (2019/20: £251,919).

No members waived emoluments. Twenty six members made a claim for emoluments during the 2020/21 year (2019/20: Twenty two).

The number of board members who received emoluments fell within the range below:

<b>Emolument</b>	<b>2020/21</b>	<b>2019/20</b>
<b>£</b>	<b>Number</b>	<b>Number</b>
1 – 4,999	4	1
5,000 – 9,999	20	13
10,000 – 14,999	1	7
15,000 – 49,999	1	-
50,000 – 54,999	-	1

## Accountability Report – Remuneration and Staff Report Staff Report

### Staff Costs

*The following section is subject to audit*

Staff Costs	2020/21				2019/20
	Permanent	Temporary*	Others	Total	Total
	£000	£000	£000	£000	£000
<b>Teaching</b>					
Wages and salaries	648,002	96,109	-	744,111	652,478
Social Security costs	72,634	9,414	-	82,048	71,951
Other pension costs	156,689	23,226	-	179,915	163,237
Other employee expenses	15,004	-	-	15,004	17,483
	892,329	128,749	-	1,021,078	905,149
Less recoveries in respect of outward secondments	-	-	-	-	-
<b>Teaching Subtotal</b>	<b>892,329</b>	<b>128,749</b>	<b>-</b>	<b>1,021,078</b>	<b>905,149</b>
<b>Non-Teaching (including Board Members)</b>					
Wages and salaries	262,310	161,409	5,105	428,824	402,123
Social Security costs	20,473	7,716	-	28,189	26,253
Pension costs	47,920	27,547	-	75,467	76,161
Other employee expenses	12,171	245	-	12,416	5,469
	342,874	196,917	5,105	544,896	510,006
Less recoveries in respect of outward secondments	(107)	-	-	(107)	(178)
<b>Non-Teaching Subtotal</b>	<b>342,767</b>	<b>196,917</b>	<b>5,105</b>	<b>544,789</b>	<b>509,828</b>
<b>TOTAL</b>	<b>1,235,096</b>	<b>325,666</b>	<b>5,105</b>	<b>1,565,867</b>	<b>1,414,977</b>

\* 'Temporary Staff' are defined within EA as those members of staff who are in a temporary post, not necessarily on a temporary contract.

## Accountability Report – Remuneration and Staff Report Staff Report

### Average Number of Persons Employed

*The following section is subject to audit*

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

	2020/21				2019/20
	Permanent	Temporary	Others	Total	Total
Teaching	15,181	3,322	0	18,503	18,464
Non-Teaching	11,795	9,966	204	21,965	20,369
<b>TOTAL</b>	<b>26,976</b>	<b>13,288</b>	<b>204</b>	<b>40,468</b>	<b>38,833</b>

Additional staff costs were capitalised during the year of £8,153k (2019/20: £7,830k), which equates to 176 (2019/20: 111) whole-time equivalent persons and are included in Note 10 of the Financial Statements.

### Pension Obligations

*The following section is subject to audit*

As explained above, and in the Accounting Policies section of the Financial Statements (Note 1.15 Pension Scheme) EA participates in two principal schemes, the Teachers' Superannuation Scheme (TSS) and the NI Local Government Pension Scheme as administered by NILGOSC.

EA has included pension costs in relation to these schemes as follows:

	£000
Teachers' Superannuation Scheme (TSS)	179,915
NI Local Government Pension Scheme as administered by NILGOSC	75,467
	<b>255,382</b>

For 2020/21 the employer's contribution rate to the Teacher's Superannuation Scheme was 25.1%.

For 2020/21 the employer's contribution rate to the NI Local Government Pension Scheme as administered by NILGOSC was 19.5%.

## **Accountability Report – Remuneration and Staff Report Staff Report**

### **Allowance for the McCloud Judgement and GMP Indexation / Equalisation**

Pension Costs include an estimated allowance for additional liabilities arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

The additional liabilities were included as a Past Service Cost (including curtailments) over the accounting period - pension costs for 2020/21 continue to be calculated on the same basis.

#### **McCloud Judgement**

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement. However, the Supreme Court rejected the request on 27 June 2019. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes including the NI Local Government Pension Scheme as administered by NILGOSC.

The additional liability was calculated to be 3.2% of EA's active liabilities using a salary increase assumption of 1.5% above CPI inflation for 2018/19. Pension liabilities for 2020/21 continue to be calculated on this basis,

#### **GMP Indexation and Equalisation**

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out.

The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time. On 26 October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required.

The estimated liability has been based on a typical Local Government pension fund to quantify the value of fully indexing GMP's in line with CPI inflation for those reaching Second State Pension age after 5 December 2018. This was calculated to be 0.3% of the liabilities / defined benefit obligation.

#### **Exiting Employers**

Employers which leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the Employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of 'orphan liabilities', may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers.

'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

## Accountability Report – Remuneration and Staff Report Staff Report

### Pension Valuation

NILGOSC is a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis. The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2019. A valuation was carried out by a qualified independent actuary for the purposes of meeting the requirements of IAS19 for these accounts.

The major assumptions used by the actuary were:

	At 31 March 2021	At 31 March 2020
Rate of increase in salaries	4.2%	3.5%
Rate of increase in pensions	2.7%	2.0%
Discount rate	2.1%	2.3%
Inflation assumption (CPI)	2.7%	2.0%

The fund's objective is to hold assets at least equal in value to the funding target (past service liabilities). The current funding level was 112% at 31 March 2019 (96% at 31 March 2016) leaving a funding surplus of £836.9m.

The aggregate Employer total contribution rate required to restore the funding to 100% using a recovery period of 20 years from 1 April 2020, is 19.6% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with assumptions).

The contributions payable by each Employer may differ because they allow for each Employer's membership profile and funding ratio, and assumption and recovery periods appropriate to their circumstances.

From 1 April 2020, the EA Employer contribution rate has reduced to 19.5%, remaining under review at 19.5% for 2021 and 2022 due to the possible impact of the COVID-19 crisis. EA also made an additional lump sum contribution to address the shortfall for past service liabilities totalling £4.8m per annum during 2017/18, 2018/19 and 2019/20. The employer contributions for the next financial year are expected to be £78.760m with the weighted average duration of the defined benefit obligation expected to be 17.5 years.

Pension assets / (liability) recognised in the Statement of Financial Position	2020/21 £000	2019/20 £000
Fair value of pension assets	2,752,458	2,235,192
Present value of funded defined benefit obligations	(3,675,931)	(2,916,338)
Present value of unfunded defined benefit obligations	(18,050)	(18,002)
<b>Pension asset / (liability) recognised in the SoFP</b>	<b>(941,523)</b>	<b>(699,148)</b>



## Accountability Report – Remuneration and Staff Report Staff Report

Asset Allocation	Value at 31 March 2021			Value at 31 March 2020
	Quoted	Unquoted	Total	Total
Equities	46.2%	0.1%	46.3%	42.6%
Property	0.0%	8.9%	8.9%	10.0%
Government Bonds	23.6%	0.0%	23.6%	26.1%
Corporate Bonds	12.1%	0.0%	12.1%	12.6%
Cash	5.3%	0.0%	5.3%	4.7%
Other	0.7%	3.1%	3.8%	4.0%
<b>Total</b>	<b>87.9%</b>	<b>12.1%</b>	<b>100.0%</b>	<b>100.0%</b>

Changes in the Present Value of the Defined Benefit Obligation during the 2020-21 Accounting Period	2020/21 £000	2019/20 £000
Opening Defined Benefit Obligation (funded and unfunded)	2,934,340	2,862,969
Current service cost	147,115	143,663
Interest expense on the defined benefit obligation	66,884	68,063
Contributions by participants	22,613	20,468
Actuarial (gains)/losses due to liability experience	(29,052)	70,777
Actuarial (gains)/losses due to changes in demographic assumptions	-	(97,695)
Actuarial (gains)/losses due to changes in financial assumptions	629,558	(59,160)
Past service cost (including curtailments)	585	1,855
Net benefits paid out	(78,062)	(76,600)
<b>Closing Defined Benefit Obligation (funded and unfunded)</b>	<b>3,693,981</b>	<b>2,934,340</b>

Changes to the fair value of assets during the accounting period	2020/21 £000	2019/20 £000
Opening Fair Value of Assets	2,235,192	2,024,595
Interest income on assets	51,680	48,870
Contributions by participants	22,613	20,468
Contributions by the employer in respect of funded benefits	76,002	76,580
Contributions by the employer in respect of unfunded benefits	1,187	1,205
Re-measurement gains on assets	443,846	140,074
Payment of unfunded benefits	(1,187)	(1,205)
Net benefits paid out of the fund (funded)	(76,875)	(75,395)
<b>Closing Fair Value of Assets</b>	<b>2,752,458</b>	<b>2,235,192</b>

## Accountability Report – Remuneration and Staff Report Staff Report

<b>Pension Charges to the Statement of Comprehensive Net Expenditure (funded and unfunded)</b>	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Current service cost	147,115	143,663
Past service cost (including curtailments)	585	1,855
<b>Total operating charge</b>	<b>147,700</b>	<b>145,518</b>
Employer contributions in respect of funded benefits	(76,002)	(76,580)
Employer contributions in respect of unfunded benefits	(1,187)	(1,205)
<b>Net Operating Charge (Financial Statements Note 6)</b>	<b>70,511</b>	<b>67,733</b>

<b>Amounts charged to Pension Financing Charges</b>	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Interest income on assets	(51,680)	(48,870)
Interest on the defined benefit obligation	66,884	68,063
<b>Net (income)/charge to Statement of Comprehensive Net Expenditure</b>	<b>15,204</b>	<b>19,193</b>

<b>(Gains)/losses recognised in Other Comprehensive Expenditure</b>	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Actuarial (gains) due to changes in financial assumptions	629,558	(59,160)
Actuarial (gains)/losses due to liability experience	(29,052)	70,777
Actuarial (gains)/losses due to changes in demographic assumptions	-	(97,695)
Re-measurement (gains)/losses on assets	(443,846)	(140,074)
<b>Net (Gains)/losses recognised in Other Comprehensive Expenditure</b>	<b>156,660</b>	<b>(226,152)</b>

### Sensitivity Analysis

IAS 19 valuation results depend critically on the principal assumptions used in the calculations.

The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. If the yield used to discount each future benefit payment decreases, then the value placed on the liabilities increases.

The results are also sensitive to unexpected changes in the rate of future mortality improvements. If longevity improves at a faster rate than allowed for in the assumptions, then, again, a higher value would be placed on the employer's liabilities. In addition, if pensionable pay increases more than allowed for in the assumptions, the active liability will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, this will increase the value of the liabilities. If the liabilities increase, the employer's Statement of Financial Position (SoFP) will worsen.

The approximate impact of changing the key assumptions on the present value of the funded defined benefit obligation as at 31 March 2021 are set out below. In each case, only the

## Accountability Report – Remuneration and Staff Report Staff Report

assumption mentioned is altered; all other assumptions remain the same and are summarised above.

### Discount Rate Assumption

Adjustment to discount rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	3,613,440	3,742,098
% change in present value of total obligation	-1.7%	+1.8%
Projected service cost (£000s)	200,480	214,371
Approximate % change in projected service cost	-3.3%	+3.4%

### Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	3,690,635	3,661,227
% change in present value of total obligation	+0.4%	-0.4%
Projected service cost (£000s)	207,322	207,322
Approximate % change in projected service cost	0.0%	0.0%

### Rate of increase to pensions in payment and deferred pensions assumption, and rate of revaluation of pension accounts assumption

Adjustment to pension increase rate	+0.1% pa	-0.1% pa
Present value of total obligation (£000s)	3,727,394	3,628,144
% change in present value of total obligation	+1.4%	-1.3%
Projected service cost (£000s)	214,371	200,480
Approximate % change in projected service cost	+3.4%	-3.3%

### Post retirement mortality assumption

Adjustment to mortality age rating assumption	-1 year	+1 year
Present value of total obligation (£000s)	3,808,265	3,543,597
% change in present value of total obligation	+3.6%	-3.6%
Projected service cost (£000s)	215,822	199,029
Approximate % change in projected service cost	+4.1%	-4.0%

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.

### Mortality Assumptions

The mortality assumptions are based on the actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 valuation and allow for expected future

## Accountability Report – Remuneration and Staff Report Staff Report

mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

Mortality Assumptions	31 March 2021	31 March 2020
<b>Males</b>		
Member aged 65 at accounting date	21.9	21.8
Member aged 45 at accounting date	23.3	23.2
<b>Females</b>		
Member aged 65 at accounting date	25.1	25.0
Member aged 45 at accounting date	26.5	26.4

### Staff Composition

The analysis of EA's employees by gender as at 31 March 2021 is as follows:

	Male		Female		Total
	No.	%	No.	%	
<b>Directors</b>	2	29	5	71	7
<b>Senior Management</b>	8	44	10	56	18
<b>Permanent Teaching Employees</b>	3,381	21	12,904	79	16,285
<b>Temporary Teaching Employees</b>	834	20	3,258	80	4,092
<b>Permanent Non-Teaching Employees</b>	2,945	17	14,233	83	17,178
<b>Temporary Non-Teaching Employees</b>	2,798	23	9,219	77	12,017

### Sickness Absence Data

The average number of days lost through sickness between April 2020 and March 2021 was 5.66 days for teachers (2019/20: 8.22 days) and 8.56 days (2019/20: 10.43 days) for non-teaching staff. The reduction for teaching staff is due to schools being closed for a large part of the 20/21 financial year as a result of the COVID-19 pandemic. For non-teaching staff this reduction is attributable to the majority of staff working from home.

### Staff Policies

EA actively encourages applications for employment from disabled persons where the requirements of the job may be adequately performed by a disabled person.

Where existing employees become disabled, it is the EA's board's policy wherever possible to provide continuous employment under normal terms and conditions and to provide training and career development and promotion where appropriate.

## Accountability Report – Remuneration and Staff Report Staff Report

### Off-payroll Engagements

The following off-payroll engagements were in place at 31 March 2021:

<b>Number of off-payroll engagements as at 1 April 2020</b>	13
<b>Number of new off-payroll engagements ((a) + (b) below)</b>	-
<b>Those caught by IR35 (a)</b>	-
<b>Those not caught by IR35 (b)</b>	-
<b>Number of engagements which have come onto the payroll</b>	-
<b>Number of engagements came to an end during 2020/21</b>	5
<b>Number of off-payroll engagements as at 31 March 2021</b>	<b>8</b>

### Expenditure on Consultancy

External consultancy spending during 2020/21 was £19k (2019/20: £nil).

### Temporary Staff

Temporary staff costs in 2020/21 amounted to £325,666k (2019/20: £282,453k).

**Accountability Report – Remuneration and Staff Report  
Staff Report**

**Reporting of compensation and exit packages for all staff 2020/21**

*The following section is subject to audit*

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total number of Exit Packages	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<b>Teaching Staff</b>						
Less than £10,000	-	2	-	8	-	10
£10,000-£25,000	-	1	-	12	-	13
£25,000-£50,000	-	1	5	71	5	72
£50,000-£100,000	-	-	5	8	5	8
£100,000-£150,000	-	-	-	-	-	-
£150,000-£200,000	-	-	-	-	-	-
<b>Number of Exit Packages</b>	<b>-</b>	<b>4</b>	<b>10</b>	<b>99</b>	<b>10</b>	<b>103</b>
<b>Resource Cost £000</b>	<b>-</b>	<b>51</b>	<b>493</b>	<b>3,483</b>	<b>493</b>	<b>3,534</b>
<b>Non-Teaching Staff</b>						
Less than £10,000	12	30	65	138	77	168
£10,000-£25,000	8	5	23	70	31	75
£25,000-£50,000	2	1	9	41	11	42
£50,000-£100,000	1	-	1	14	2	14
£100,000-£150,000	-	-	-	7	-	7
£150,000-£200,000	-	-	-	2	-	2
£200,000-£250,000	-	-	-	-	-	-
<b>Number of Exit Packages</b>	<b>23</b>	<b>36</b>	<b>98</b>	<b>272</b>	<b>121</b>	<b>308</b>
<b>Resource Cost £000</b>	<b>260</b>	<b>213</b>	<b>966</b>	<b>5,339</b>	<b>1,226</b>	<b>5,552</b>
<b>Teaching and Non-Teaching Staff</b>						
<b>Total Number of Exit Packages</b>	<b>23</b>	<b>40</b>	<b>108</b>	<b>371</b>	<b>131</b>	<b>411</b>
<b>Total Resource Cost £000</b>	<b>260</b>	<b>264</b>	<b>1,459</b>	<b>8,822</b>	<b>1,719</b>	<b>9,086</b>

## **Accountability Report – Remuneration and Staff Report Staff Report**

The table above shows the total cost of exit packages agreed and accounted for in 2020/21 and 2019/20. In 2020/21, the year of departure, £1,573k exit costs were paid, (2019/20 £8,839k).

Non-Teachers' redundancy payments were made in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007 as amended.

Teachers' redundancy payments were made in accordance with the Teachers' Premature Retirement Compensation Scheme relevant for 2020/21.

Where EA has agreed early retirements, the additional costs are met by EA and not by the pension schemes.

Ill-health retirement costs are met by the pension schemes and are not included in the table.

## Accountability Report – Assembly Accountability and Audit Report

### Assembly Accountability Report

#### i. Losses and Special Payments

*The following sections are subject to audit*

#### Losses Statement

	2020/21		2019/20	
	No. of Cases	£000	No. of Cases	£000
Cash losses*	320	185	213	1,404
Claims abandoned	-	-	-	-
Fruitless payments	58	3	52	6
Stores losses	95	135	88	158
Overpayments	190	18	-	-
<b>Total</b>	<b>663</b>	<b>341</b>	<b>353</b>	<b>1,568</b>

No individual loss in 2020-21 exceeded £250,000.

\* During 2019-20, an Internal Audit investigation established that there were issues concerning compliance with the Voluntary Exit Scheme (VES) in some voluntary grammar schools. Four cases were investigated as suspected fraud and have been disclosed as cash losses above. Two of the cases were for amounts greater than £250,000 (£750,000 and £300,000).

#### Special Payments

	2020/21		2019/20	
	No. of Cases	£000	No. of Cases	£000
Redundancy payments	131	1,719	411	9,086
	<b>131</b>	<b>1,719</b>	<b>411</b>	<b>9,086</b>

No individual payment exceeded £250,000.



## Accountability Report – Assembly Accountability and Audit Report

### Assembly Accountability Report

#### ii. Fees and Charges

*The following section is subject to audit*

EA is responsible for the provision of a school meals service to the schools it funds. This is a fee-paying service unless there is an entitlement to a free meal.

In accordance with the revised 'Arrangements for the Provision of Milk, Meals and Related Facilities' issued by DE in March 2011, the charge for a meal for a paying pupil should be sufficient to fully recover the variable costs and make a contribution to fixed costs. This target was achieved in both years.

The information below is in respect of the School Meals Service only and is provided for fees and charges purposes and not for IFRS 8 purposes which is separately disclosed in Note 2 within the Financial Statements.

In line with accounting policy Note 1.2.2 *Income from Sale of Goods and Services*, EA has applied the requirements of IFRS 15 to income falling within the scope of IFRS 15. Note 3 provides further information on the application of IFRS 15.

#### School Meals Service

	2020/21 £000	2019/20 £000
Full cost	63,124	76,675
Less: Income	(10,004)	(30,633)
Less: COVID-19 allocation for loss of income offset by reductions	(10,130)	-
Rurality Element	(858)	(842)
<b>Net cost</b>	<b>42,132</b>	<b>45,200</b>
Number of paid meals	3,705	11,957
Number of free meals	4,994	12,606
COVID-19 Allocation (meals equivalent)*	3,752	-
<b>Total number of meals</b>	<b>12,451</b>	<b>24,563</b>
<b>Average Gross Cost per meal</b>	<b>£5.07</b>	<b>£3.12</b>

\*The payment of allowances to families, in lieu of the provision of free school meals, was created and implemented in 2020/21 as part of EA's response to the COVID-19 pandemic. This support continued into the summer until school meals could be made available at the beginning of the new school year (September 2020), and over the October midterm, Christmas and Easter school breaks.

**Assembly Accountability Report**

**iii. Remote Contingent Liabilities**

*This section is subject to audit*

Details on contingent liabilities reported within the meaning of IAS 37 are disclosed in Note 23 within the Financial Statements.

There are no additional remote contingent liabilities which are required to be reported.

A handwritten signature in cursive script, appearing to read 'Sara Long', enclosed in a thin black rectangular border.

**Sara Long  
Accounting Officer**

**4 August 2022**

## **ACCOUNTABILITY REPORT – ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**

### **The Certificate of the Comptroller and Auditor General to the NI Assembly**

#### **EDUCATION AUTHORITY**

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

##### **Opinion on financial statements**

I certify that I have audited the financial statements of the Education Authority for the year ended 31 March 2021 under the Education Act (Northern Ireland) 2014. 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. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

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 the Education Authority's affairs as at 31 March 2021 and of the Education Authority's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Education Act (Northern Ireland) 2014 and Department of Education 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 for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Education Authority in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, 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.

##### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Education Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

### The Certificate of the Comptroller and Auditor General to the NI Assembly

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Education Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Education Authority is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Education Authority and the Chief Executive with respect to going concern are described in the relevant sections of this report.

#### Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, my audit certificate and my report. The Education Authority and the Chief Executive are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Education directions made under the Education Act (Northern Ireland) 2014; 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.

### The Certificate of the Comptroller and Auditor General to the NI Assembly

#### Matters on which I report by exception

In the light of the knowledge and understanding of the Education Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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.

#### Responsibilities of the Education Authority and the Chief Executive for the financial statements

As explained more fully in the Statement of the Education Authority and Chief Executive's Responsibilities, the Education Authority and the Chief Executive are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Education Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Education Authority will not continue to be provided in the future.

#### Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with the Education Act (Northern Ireland) 2014.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

### The Certificate of the Comptroller and Auditor General to the NI Assembly

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Education Authority through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Education Act (Northern Ireland) 2014 and Department of Education directions issued thereunder;
- making enquires of management and those charged with governance on the Education Authority's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Education Authority's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and

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](http://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.

## **ACCOUNTABILITY REPORT – ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**

### **The Certificate of the Comptroller and Auditor General to the NI Assembly**

My report on the length of time taken by the Education Authority to prepare a complete 2020-21 Annual Report and Accounts and to respond to information requests is included on pages 139 to 140.



**Dorinnia Carville  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT 7 1EU**

**11 August 2022**

## Financial Statements

### Statement of Comprehensive Net Expenditure for the year ended 31 March 2021

	Notes	2020/21 £000	2019/20 £000
Income from sale of goods and services	3	(26,423)	(62,735)
Other operating income	4	(7,175)	(9,321)
<b>Total operating income</b>		<b>(33,598)</b>	<b>(72,056)</b>
Staff costs	5	1,565,867	1,414,977
Purchase of goods and services	6	443,481	408,016
Provision expense	6	4,948	5,009
Depreciation and impairment charges	7	108,471	103,339
Notional costs	8	3,600	3,352
Other operating expenditure (Grants Payable)	9	458,024	396,390
<b>Total operating expenditure</b>		<b>2,584,391</b>	<b>2,331,083</b>
<b>Net operating expenditure</b>		<b>2,550,793</b>	<b>2,259,027</b>
Finance expense		15,204	19,193
<b>Net expenditure for the year</b>		<b>2,565,997</b>	<b>2,278,220</b>
Credit in respect of notional costs		(3,600)	(3,352)
<b>Net expenditure transferred to the general reserve</b>		<b>2,562,397</b>	<b>2,274,868</b>
<b>Other comprehensive net expenditure</b>			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	4,106	(52,055)
Net (gain)/loss on revaluation of Intangible assets		-	-
Actuarial (gain)/loss on Pension Scheme Liabilities	8	156,660	(226,152)
<b>Comprehensive net expenditure for the year</b>		<b>2,723,163</b>	<b>1,996,661</b>

All amounts above relate to continuing activities.

The Financial Statements on pages 92 to 138 were approved by the Board on 4 August 2022 and were signed on its behalf by:

Chairperson:



Date: 4 August 2022

Chief Executive:



Date: 4 August 2022

The notes on pages 96 to 138 form part of these accounts.



## Financial Statements

### Statement of Financial Position as at 31 March 2021

	Notes	2020/21 £000	2019/20 *Restated £000
<b>Non-current assets</b>			
Property, Plant and Equipment	10	2,211,313	2,225,823
Intangible assets	11	22,474	16,639
Trade and other receivables	15	60	669
<b>Total non-current assets</b>		<b>2,233,847</b>	<b>2,243,131</b>
<b>Current Assets</b>			
Assets classified as held for sale	12	321	356
Inventories	14	35,352	34,353
Trade and other receivables	15	55,171	51,015
Cash and cash equivalents	16	5,039	16,965
<b>Total current assets</b>		<b>95,883</b>	<b>102,689</b>
<b>Total assets</b>		<b>2,329,730</b>	<b>2,345,820</b>
<b>Current Liabilities</b>			
Trade and other payables	17	(245,258)	(203,300)
Provisions	18	(909)	(2,058)
<b>Total current liabilities</b>		<b>(246,167)</b>	<b>(205,358)</b>
<b>Total assets less current liabilities</b>		<b>2,083,563</b>	<b>2,140,462</b>
<b>Non-current liabilities</b>			
Trade and Other payables	17	(134,083)	(139,198)
Provisions	18	(15,377)	(11,116)
Pension Obligations	22	(941,523)	(699,148)
<b>Total non-current liabilities</b>		<b>(1,090,983)</b>	<b>(849,462)</b>
<b>Total assets less total liabilities</b>		<b>992,580</b>	<b>1,291,000</b>
<b>Taxpayers' equity and other reserves</b>			
General Reserve		1,168,319	1,184,625
Pension Reserve		(941,523)	(699,148)
Revaluation Reserve		765,784	805,523
<b>Total Taxpayers Equity</b>		<b>992,580</b>	<b>1,291,000</b>

\*Restated – Explanation contained in note 15 and 17 to the accounts.

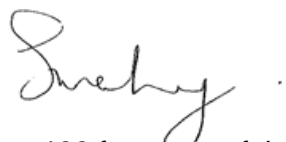
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## Financial Statements

### Statement of Cash flows for the year ended 31 March 2021

	Notes	2020/21 £000	2019/20 *Restated £000
<b>Cash flows from Operating Activities</b>			
Net expenditure for the year		(2,565,997)	(2,278,220)
Adjustments for non-cash transactions:			
Notional costs	8	3,600	3,352
Depreciation and Impairment charges	7	108,471	103,339
Increase/(Decrease) in Pension Liability		85,715	86,926
(Profit)/Loss on disposal of property, plant and equipment	6	(65)	(261)
Decrease/(Increase) in Inventories	14	(999)	(5,386)
Decrease/(Increase) in Trade and Other Receivables less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure (capital receivables)	15	(3,541)	(9,703)
Increase/(Decrease) in Trade and Other Payables less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure (capital payables)	17	50,105	37,370
Use of provisions	18	3,112	2,061
<b>Net cash outflow from Operating Activities</b>		<b>(2,319,599)</b>	<b>(2,060,522)</b>
<b>Cash flows from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(103,127)	(91,378)
Purchase of Intangible Assets		(9,405)	(8,175)
Proceeds of disposal of Property, Plant and Equipment		412	2,776
<b>Net cash outflow from investing activities</b>		<b>(112,120)</b>	<b>(96,777)</b>
<b>Cash flows from Financing Activities</b>			
Grants from sponsoring department		2,424,743	2,164,935
Capital element of finance leases and on-balance sheet (SoFP) PFI contract payments (and other service concession contracts)		(4,950)	(4,710)
<b>Net financing</b>		<b>2,419,793</b>	<b>2,160,225</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents in the period</b>		<b>(11,926)</b>	<b>2,926</b>
Cash and cash equivalents at the beginning of the period	16	16,965	14,039
<b>Cash and cash equivalents at the end of the period</b>	16	<b>5,039</b>	<b>16,965</b>

\*Restated – Explanation contained in notes 15 and 17 to the accounts.

The notes on pages 96 to 138 form part of these accounts.

## Financial Statements

### Statement of Changes in Tax Payers Equity for the year ended 31 March 2021

	General Reserve £000	Pension Reserve £000	Revaluation Reserve £000	Taxpayers' Equity £000
<b>Balance at 31 March 2019</b>	<b>1,172,172</b>	<b>(838,374)</b>	<b>788,927</b>	<b>1,122,725</b>
Funding from Sponsoring Departments:				
Recurrent funding	2,084,301	-	-	2,084,301
Capital funding	83,095	-	-	83,095
Other funding	-	-	-	-
Capital proceeds surrendered to Sponsoring Department	(2,460)	-	-	(2,460)
Transfers between reserves	120,997	(86,926)	(34,071)	-
Net expenditure transferred to the general reserve	(2,274,868)	-	-	(2,274,868)
Revaluation gains and losses	-	226,152	52,055	278,207
Disposal of property, plant and equipment	1,388	-	(1,388)	-
<b>Balance at 31 March 2020</b>	<b>1,184,625</b>	<b>(699,148)</b>	<b>805,523</b>	<b>1,291,000</b>
Funding from Sponsoring Departments:				
Recurrent funding	2,328,641	-	-	2,328,641
Capital funding	96,378	-	-	96,378
Other funding	-	-	-	-
Capital proceeds surrendered to Sponsoring Department	(276)	-	-	(276)
Transfers between reserves	121,227	(85,715)	(35,512)	-
Net expenditure transferred to the general reserve	(2,562,397)	-	-	(2,562,397)
Revaluation gains and losses	-	(156,660)	(4,106)	(160,766)
Disposal of property, plant and equipment	121	-	(121)	-
<b>Balance at 31 March 2021</b>	<b>1,168,319</b>	<b>(941,523)</b>	<b>765,784</b>	<b>992,580</b>

The notes on pages 96 to 138 form part of these accounts.

# Financial Statements

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2020/21 Financial Reporting Manual (FReM) issued 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 which is judged to be most appropriate to the particular circumstances of EA for the purpose of giving a true and fair view has been selected. The particular policies adopted by EA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, modified by the revaluation of certain assets and liabilities to fair value as determined by the relevant accounting standard.

These accounts have been prepared in pounds sterling and are rounded to the nearest thousand.

#### 1.2 Recognition of Income and Funding

##### 1.2.1 Departmental Funding

The main source of funding for EA is allocations (grants-in aid) from DE and DfE. All grants-in aid, whether for revenue or capital purposes, are recognised on a cash receipts basis and are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of EA. Hence such allocations are accounted for as financing i.e. by crediting them to the General Reserve.

##### 1.2.2 Income from Sale of Goods and Services

Income from the sale of goods and services relates directly to the operating activities of EA. It principally comprises income from catering activities, recoupment of costs and tuition fees, in addition to other sources of income. The income is included in the Statement of Comprehensive Net Expenditure (SOCNE) to the extent of the completion of the contract or service concerned and is stated net of Value Added Tax (VAT).

EA has considered the application of IFRS 15 Revenue from Contracts with Customers. The core principle of IFRS 15 is that income is recognised to depict the transfer of goods/services to customers, at a rate which reflects the expected entitlement for such goods/services.

In applying the core principal to income recognition, the following steps are applied:

- Step 1: Identification of a contract;
- Step 2: Identification of performance obligations;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) a performance obligation is satisfied.

## **Financial Statements**

### **Notes to the Financial Statements**

The vast majority of income received by EA is departmental grant in aid and therefore falls outside the scope of IFRS 15. The remaining income relates to income from the sale of goods and services such as school meals services and short term letting of EA premises. EA has applied the requirements of IFRS 15 to such income falling within the scope of IFRS 15 per Note 3.

#### **1.2.3 Other Operating Income**

Other operating income comprises revenue and capital grants received from bodies other than DE and DfE. Revenue grants received from other bodies are for specific purposes and are restricted in use. The grants include income from the European Union (EU) funding (Peace IV Programme) and other sources, and is included in the SOCNE to the extent that it matches against the relevant expenditure incurred during the period. Grant income received during the period which is not matched to relevant expenditure incurred during the same period is shown as either accrued or deferred income on the SoFP. Where assets are financed by government grant (not a grant from a sponsoring department) or donation (including lottery funding), the funding element is recognised as income and taken through the SOCNE.

#### **1.2.4 Capital Grants**

Government grants (excluding departmental capital funding above) to fund capital assets are recognised in the SOCNE as income. They are recognised when receivable unless there are conditions on their use which, if not met, would result in the grant becoming repayable. In such cases the income is deferred and released when the obligations are met. Where grants have no conditions on their use the income is recognised immediately in the SOCNE.

#### **1.3 Grants Payable**

Expenditure classified as "Grants Payable" is recognised in the SOCNE in the year it is paid, on the basis of the underlying activity of the recipient, i.e.:

- Voluntary Grammar and Grant Maintained Integrated Schools Grants are issued annually in respect of recurrent funding requirements and reflect the totality of the schools' entitlement under the Local Management of Schools' arrangements as calculated by DE.
- Youth Service grants are grants to fund and support regional youth services including voluntary youth clubs and organisations.
- Pre-School Education Programme (PEG) grants are payable to Pre-school settings to enable the delivery of pre-school education and are funded by DE.
- Other revenue grants and bursaries include Uniform Grants and are charged in the year they are paid.

#### **1.4 Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange at the end of the financial period with all resulting exchange differences being taken to the SOCNE in the period in which they arise. The impact of foreign currency transactions is considered negligible for 2020/21 (negligible in 2019/20).

## **Financial Statements**

### **Notes to the Financial Statements**

#### **1.5 Taxation**

##### **1.5.1 Corporation Tax**

In accordance with Section 987B of the Corporation Tax Act 2010, EA is not liable to corporation tax.

##### **1.5.2 Value Added Tax (VAT)**

A significant proportion of the activities of EA are outside the scope of VAT, however input tax on purchases is recoverable. Irrecoverable VAT is charged to the relevant expenditure category. Where output VAT is charged or input VAT is recoverable, the related amounts within the SOCNE are stated net of recoverable VAT.

#### **1.6 Property, Plant and Equipment**

Property, plant and equipment assets comprise land, buildings, vehicles, information technology, plant and machinery, payments on account and assets under construction.

##### **1.6.1 Recognition**

An item of property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to EA;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item is computer equipment and has a cost of at least £200;
- the item is other than computer equipment and has a cost of at least £1,000; and
- the item is part of the initial furniture and equipment supplied to make a new or refurbished facility fully operational.

On initial recognition, items of property, plant and equipment are measured at cost including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Items classified as 'under construction' (and payments on account) are recognised in the SoFP to the extent that money has been paid or a liability has been incurred.

Assets under construction are transferred to the relevant asset category upon completion of the project or upon commencement of use of the asset.

##### **1.6.2 Schools Estate**

###### **1.6.2.1 Ownership**

Ownership of the schools estate is dependent on the type of school:

- Controlled (nursery, primary, special, secondary and grammar) schools and related school meals accommodation are owned by EA and included as non-current assets on the EA SoFP.

## Financial Statements

### Notes to the Financial Statements

- Maintained (nursery, primary, special and secondary) schools meals accommodation only is owned by EA and included as non-current assets on the SoFP. The main school buildings are not owned by EA.
- Voluntary (grammar) and Integrated Schools estates are not owned by EA.

#### 1.6.2.2 Valuation of Land and Buildings

All land and building assets which are owned by EA are capitalised and included in the SoFP at fair value. The basis of valuation for each of the property types are as follows:

Property Type	Asset Category	Basis of Valuation
Offices and stores	<ul style="list-style-type: none"><li>• Non specialised: operational</li><li>• Land and buildings owner occupied for the purpose of the undertaking</li></ul>	Existing Use Value
Schools	<ul style="list-style-type: none"><li>• Specialised: operational</li><li>• Land and buildings owner occupied for the purpose of the undertaking</li></ul>	Depreciated Replacement Cost
Surplus assets	<ul style="list-style-type: none"><li>• Non operational</li><li>• Properties surplus to requirements and classified as “assets held for sale”</li></ul>	Lower of carrying value or market value

Where there is a clear intention to dispose of an asset within the next 12 months, the asset is categorised as “Assets held for Sale” and shown separately within current assets.

Full valuations are made by Land and Property Services (LPS) every five years. The last full valuation was at 31 March 2018. In the intervening years valuations are updated using appropriate indices obtained from LPS. Upward/downward valuations are accounted for through the revaluation reserve, with the exception of downward revaluations for which there is no balance in the revaluation reserve. Such downward valuations are charged to the SOCNE and reversed should the asset be revalued upward.

Land and building assets under construction (including Payments on Accounts) are carried at cost, less any impairment loss. Costs include professional fees and other directly attributable costs necessary to bring the asset into use. Assets under construction, including completed building projects, are capitalised but not depreciated until brought into use.

#### 1.6.2.3 Reversionary Trusts

Included within the Schools’ Estate are assets held on Reversionary Trusts. These are properties which will revert to the ownership of trustees if they cease to be used as specified in the deeds of ownership.

## Financial Statements

### Notes to the Financial Statements

#### 1.6.3 Assets other than Land and Buildings

Assets other than land and buildings are carried at fair value. Fair values are updated annually using appropriate indices or professional valuations. Increases/decreases in valuations are accounted for through the revaluation reserve on the same basis as Land and Buildings.

Non land and buildings assets under construction are carried at cost, less any impairment loss. Cost includes professional fees and other directly attributable costs necessary to bring the asset into use. Completed projects are capitalised but not depreciated until brought into use.

#### 1.6.4 Depreciation

Depreciation is not charged on the following assets:

- **freehold land**, due to the unlimited or very long useful life normally associated with land;
- **assets under construction**, on the basis that they have not been brought into use; and
- assets which meet the definition of '**held for sale**' above, which are shown as part of current assets.

Depreciation is provided for all other items of property, plant and equipment having a finite useful life, by allocating the cost (or revalued amount), less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed annually and adjusted over the revised remaining economic life where appropriate.

All assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition/commissioning and no depreciation charged in the month of disposal.

The following useful economic lives are attributed to asset classes and, where necessary, used as approximations to the levels estimated annually.

#### Expected useful lives

Asset Class	Asset Sub-class	Asset Life
Lands	Land	Not depreciated
Buildings	Permanent Buildings	50 years
	Modular Buildings	40 years
	Temporary Buildings	15 years
Information Technology	Hardware & Software	3 years
Plant & Machinery	Machinery	15 years
	Music Equipment	10 years
	General and Other	10 years
	Reprographics	7 years
	Grounds Maintenance	7 years
	Cleaning	7 years



## Financial Statements

### Notes to the Financial Statements

Vehicles	>33 Seater Mini-buses 33 Seater Mini-buses Grounds Maintenance Small Mini-buses Vans Cars	14 years 10 years 7 years 5 years 5 years 4 years
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#### 1.7 Intangible Assets

Intangible assets comprise software, licences and Intangible Assets in the course of construction.

##### 1.7.1 Recognition

Intangible assets are non-financial non-current assets that do not have physical substance but are identifiable and are controlled by EA through custody or legal rights.

An intangible asset is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to EA;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £1,000.

On initial recognition, intangible assets are measured at cost. Subsequently, they are carried at fair value which is estimated by restating the value annually by reference to appropriate indices.

Intangible assets under construction (including Payments on Accounts) are carried at cost, less any impairment loss. Costs include development fees and other directly attributable costs necessary to bring the asset into use. Intangible assets under construction are capitalised but not amortised until brought into use.

##### 1.7.2 Amortisation

Amortisation is provided for all intangible non-current assets with a finite useful life, by allocating the cost (or revalued amount) less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, unless otherwise stated, reviewed annually and adjusted over the revised remaining economic life where appropriate.

The following useful economic lives should, where necessary, be used as approximations to the levels estimated annually:

Asset Class	Asset Life
Intangible Assets	3 years

## **Financial Statements**

### **Notes to the Financial Statements**

#### **1.8 Assets held for sale**

Assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses. Assets classified as held for sale are not depreciated.

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated as at 31 March 2021.

Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

#### **1.9 Impairment Losses**

An asset is impaired if its carrying amount exceeds the value to be recovered through use or sale of the asset.

If an impairment loss arises which has not resulted from a loss of economic value or service potential the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SOCNE.

Impairment losses that arise from a clear consumption or loss of economic benefits or service potential are charged in full to the SOCNE with an amount up to the value of the impairment being transferred from the revaluation reserve to the general reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been carried had there been no initial impairment loss. The reversal of the impairment loss is credited to the SOCNE to the extent of the decrease previously charged there and then to the revaluation reserve.

#### **1.10 Inventories**

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

#### **1.11 Financial Instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when the entity becomes party to the contractual provisions of the instrument. A previously recognised financial asset is

## Financial Statements

### Notes to the Financial Statements

derecognised when and only when the contractual rights to the cash flows from the asset expire, or the entity transfers the asset such that the transfer qualified for de-recognition. A financial liability is derecognised when, and only when it is extinguished.

Financial instruments are initially recognised at fair value unless otherwise stated. Fair value is the amount at which an instrument could be exchanged in an arm's length transaction between informed and willing parties.

EA categorises the following balances to be financial instruments:

- Financial Assets including Assets Held for Sale, Inventories and Trade and Other Receivables
- Cash and Cash Equivalents
- Trade and Other Payables

EA annually assesses whether a financial asset or group of assets are impaired.

Where there is independent evidence that an impairment loss below historical cost has occurred, the carrying amount is reduced with the loss being recognised in the SOCNE.

#### 1.11.1 Financial Assets

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

Fair value is the amount at which such an instrument could be exchanged in an arm's length transaction between informed and willing parties.

Financial assets are classified into two categories: 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### 1.11.2 Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses.

Accumulated gains or losses are recycled to the SOCNE on de-recognition.

#### 1.11.3 Cash and Cash Equivalents

Cash and cash equivalents include cash-in-hand and deposits with banks, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the SoFP.

## **Financial Statements**

### **Notes to the Financial Statements**

#### **1.11.4 Loans and Receivables**

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method, except for short-term receivables where the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Receivables are assessed for indicators of impairment at each SoFP date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets other than trade receivables, where the carrying amount is reduced through an allowance for irrecoverable debts, changes in which are recognised in the SOCNE.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the SOCNE to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### **1.11.5 Financial Liabilities**

Financial liabilities are recognised in the SoFP when EA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received.

Financial liabilities are initially recognised at fair value. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

#### **1.11.6 Risk Management**

The principal financial risks to which EA is exposed follow below.

##### **Liquidity Price Risk**

EA is not exposed to the same degree of financial risk faced by commercial business entities. EA is essentially a non-trading entity and financed as a Non Departmental Public Body by DE. It has no powers to borrow or invest in surplus funds and has limited year end flexibility. It is therefore not exposed to significant liquidity risks. EA does not

## **Financial Statements**

### **Notes to the Financial Statements**

hold any complex financial instruments and as such there is no impact on the financial risk of EA.

#### **Credit Risk**

As the majority of EA's income comes from contracts with other public sector bodies, EA has low exposure to credit risk.

#### **Foreign Currency Risk**

EA's exposure to foreign currency risk is not significant. Foreign currency income and expenditure are negligible.

#### **Interest Rate Risk**

Interest rate risk primarily occurs when there are changes in the market interest rates. EA's financial assets and liabilities carry nil or fixed rates of interest. EA is not, therefore, exposed to significant interest rate risk.

#### **Financial Risk**

EA does not hold any complex financial instruments and there is no impact on the financial risk of EA.

### **1.12 Provisions**

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Provisions are recognised when:

- EA has a present obligation as a result of a past event;
- it is probable that EA 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 SoFP 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.

### **1.13 Contingencies**

Under IAS 37, EA discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of EA, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot

## **Financial Statements**

### **Notes to the Financial Statements**

be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of EA. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

#### **1.14 Employee Benefits**

Under the requirements of IAS 19 Employee Benefits the cost of providing employee benefits is recorded in the SOCNE 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 and comprises salary and wage costs, the cost of any untaken leave that has been earned at the year end and pension benefits.

Liabilities have been included to reflect the cost of employee benefits earned up to 31 March in the SoFP, including:

- Salary and wage accruals to account for earned leave attributable to flexible working patterns such as the family friendly scheme;
- Untaken holiday leave as estimated from a sample of employee untaken leave balances and staff costs in previous years; and
- Pension liabilities in respect of defined benefit obligations for staff pensions.

#### **1.15 Pension Scheme**

EA's employees belong to two principal schemes:

- the Teachers' Superannuation Scheme (TSS); and
- NI Local Government Pension Scheme as administered by NILGOSC.

##### **1.15.1 The Teachers' Superannuation Scheme (TSS)**

The Teachers' Superannuation Scheme is an unfunded contributory scheme administered by DE. The current regulations under which the scheme operates are the Teachers Superannuation Regulations (NI) 1998 (as amended), and the Teachers' Pension Scheme regulations (NI) 2014.

The rate of the employer's contribution is determined from time to time by the Government actuary and advised by DoF. The TSS is a multi-employer defined benefit scheme and EA 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 are recognised as they are paid each year in the SOCNE.

A separate set of Annual Scheme Statements are prepared for the Teachers Superannuation Scheme.

## Financial Statements

### Notes to the Financial Statements

#### 1.15.2 NI Local Government Pension Scheme as administered by NILGOSC

The NILGOSC is a defined benefit scheme, the assets of the schemes being held in separate trustee-administered funds. EA's contribution to the NI Local Government Pension Scheme is determined by the fund's actuary, based on a triennial valuation. The scheme is administered by NILGOSC, Hollywood Road, Belfast.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2019. The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was met at the last formal valuation date.

The current funding level was 112% at 31 March 2019 (96% at 31 March 2016) leaving a funding surplus of £836.9m. The aggregate Employer total contribution rate required to restore the funding to 100% using a recovery period of 20 years from 1 April 2020, is 19.6% of Pensionable Pay (if the membership remains broadly stable and pay increases are in line with assumptions).

The contributions payable by each Employer may differ because they allow for each Employer's membership profile and funding ratio, and assumption and recovery periods appropriate to their circumstances.

From 1 April 2020, the EA Employer contribution rate reduced to 19.5%, remaining under review at 19.5% for 2021 and 2022 due to the possible impact of the COVID-19 crisis.

The pension costs are assessed in accordance with the advice of an independent qualified actuary using the projected unit method and are accounted for on the basis of charging the cost of providing pensions over the period during which EA 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.

In accordance with IAS 19 'Retirement Benefits', the in-year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by EA are charged to the SOCNE or the Statement of Changes in Taxpayers' Equity.

#### 1.16 Reserves

The General Reserve represents the accumulated financial position of EA.

The Pension Reserve represents the cumulative balance on the NILGOSC pension fund and equates to EA's pension liability as recognised in the SoFP.

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

Increases arising from revaluation are taken to the revaluation reserve except when it reverses a revaluation decrease for the same asset previously recognised in the SOCNE, in which case it is credited to the SOCNE to the extent of the decrease was previously charged there.

A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SOCNE.

## Financial Statements

### Notes to the Financial Statements

#### 1.17 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 with a liability recognised in the SoFP.

Lease rental payments consist of capital and interest elements. The capital element is applied to reduce the outstanding obligations in the SoFP and the interest element is charged as an expense in proportion to the reducing capital element outstanding.

Assets held under finance lease are depreciated over the useful lives of equivalent owned assets. EA did not hold any such finance leases as at 31 March 2021.

An operating lease is a lease other than a finance lease. Operating lease rentals are charged to the SOCNE in equal annual amounts over the lease term. EA held a number of operating leases during 2020/21, commitments in respect of such leases is disclosed in Note 20.

IAS 17 requires lessees to recognise finance leases as assets and liabilities in the SoFP. Included within assets in the SoFP are a number of long leaseholds recognised using the 'risks and rewards' principle but for which no corresponding liability is included.

#### 1.18 Private Finance Initiative (PFI) Transactions

##### 1.18.1 On SoFP PFI Contracts

The PFI transactions of EA are assessed against IFRIC 12, Service Concession Arrangements. To be within the scope of IFRIC 12, the service concession arrangement must contractually oblige the private sector operator to provide the services related to the infrastructure to the public on behalf of the grantor (EA).

The PFI transaction is deemed to be a service concession within the meaning of IFRIC 12 from EA's viewpoint where there is infrastructure and EA controls:

- or regulates what services the operator must provide with the infrastructure, to whom it must provide them and at what price; and
- through beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement (or there is no residual interest).

In these cases EA recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that generic type. The liability to pay for the infrastructure is also recorded on the SoFP. The initial amount recorded for the asset and liability is the fair value of the infrastructure asset. Subsequently, the asset is depreciated over the useful economic life of the class of assets to which it has been assigned and the associated liability is reduced as payments for the asset are made. An imputed finance charge on the liability is recorded in subsequent years using a property – specific rate. The remainder of the PFI payments (i.e. the full payments, less the capital repayment and the imputed finance charge) are recorded as an operating cost. Other



## **Financial Statements**

### **Notes to the Financial Statements**

obligations which exist in relation to the PFI contract are accounted for in accordance with IAS 37 Provisions, Contingent liabilities and contingent assets.

EA recognises the asset when it comes into use. In cases where EA has made contributions to the operator in advance of the asset coming into use, these contributions are shown within prepayments and amortised to the SOCNE in equal amounts over the assets useful life.

#### **1.18.2 Off SoFP PFI Contracts**

PFI contracts that do not transfer any of the risks and rewards associated with ownership of the asset to EA are treated in the same way as an operating lease i.e. rental payments are charged to the SOCNE in equal annual amounts over the lease term.

### **1.19 Estimation Techniques**

#### **1.19.1 Financial Instruments - Fair Value Adjustment**

The fair value adjustment of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties. Where the classification of a financial instrument requires it to be stated at fair value, fair value is determined using expected cash flows discounted back to present value.

#### **1.19.2 Employee Benefits**

The estimation technique employed in the calculation of employee benefits is disclosed in Note 1.14.

#### **1.19.3 Provisions**

The estimation technique employed in the calculation of provisions is enclosed in Note 1.12.

### **1.20 Operating Segments**

IFRS 8 operating segments requires the identification of operating segments on the basis of internal reports that are regularly reviewed by EA's Chief Operating Decision Maker (CODM) in order to allocate resources to the segment and assess its performance.

Disclosures in line with IFRS 8 have been made within Note 2 to the accounts.

### **1.21 Early Departure Costs**

#### **1.21.1 Non-Teaching**

Non-Teaching redundancy payments were made in accordance with the Education and Library Boards' Scheme for Redundancy in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007, as amended.

## **Financial Statements**

### **Notes to the Financial Statements**

Where EA has agreed early retirements, the additional costs are met by EA and not by the pension schemes.

#### **1.21.2 Teaching**

Teachers' redundancy payments were made in accordance with the Teachers Premature Retirement Compensation Scheme relevant for 2020/21.

#### **1.22 Contingent Liabilities**

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

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

#### **1.23 New accounting standards that have been issued but are not yet effective.**

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.

The IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014. Accounting boundary IFRSs are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016.

With effect from 2022/23, EA will fall within the consolidation boundary of DE. EA accounts will therefore be consolidated into DE's Accounts and EA's planned expenditure will be consolidated into DE's Departmental Estimates. This is a change as, currently, only the cash paid by DE to EA is recognised in DE's Accounts and Estimates. EA continues to work with DE on the impact of inclusion within DE's consolidation boundary.

#### **IFRS 16 Leases**

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 2022. As disclosed in note 20.1, EA has leased Arvalee School (on the Strule Shared Education Campus) from DE for a peppercorn rent.

## **Financial Statements**

### **Notes to the Financial Statements**

EA has assessed the impact that the application of IFRS 16 will have on the SOCNE for the year ending 31 March 2023 and on the SoFP as at that date, and has judged that the impact will not be material.

### **IFRS 17 Insurance Contracts**

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023. EA has assessed the impact that the application of IFRS 17 will have and has judged that it is immaterial.

## **Financial Statements**

### **Notes to the Financial Statements**

#### **2. Statement of Operating Costs by Operating Segment**

The chief operating decision-maker is the corporate management team made up of the Chief Executive, and senior officers of EA.

Monthly Expenditure Monitoring Reports (MEMRs) detailing net expenditure for the month and cumulative expenditure are provided to DE and reported on a monthly basis to the Finance and General Purposes Committee. Information on assets and liabilities are not reported monthly, and are therefore not included in this note. Items requiring disclosure which are not separately identified by service have been included in total.

The following services represent the required 75% of funding for disclosure; and are selected based on the level of expenditure incurred, in-year until the required 75% is reached.

#### **Schools' Delegated Budget**

This represents the funding delegated directly to the schools in the EA area through the Common Funding Formula, plus later in-year delegations of funding, such as earmarked initiatives.

#### **Earmarked Funds**

EA is allocated funding for specific initiatives that cannot be spent on any other purpose e.g. Entitlement Framework, Extended Schools, Education Other Than at School and Landlord Maintenance.

#### **Children & Young People's Service**

The Children and Young People's Service provides a range of support services for children with SEN ensuring that the best possible opportunities are provided for them to learn and develop. These services include:

- special schools;
- special education in mainstream schools;
- educational psychology;
- education welfare and child protection;
- behaviour support;
- Education Otherwise Than At School (EOTAS); and
- pupil personal development services.

#### **Other**

Other includes all those services not requiring individual disclosure and does not include any services which exceed 10% of total funding.

## Financial Statements

### Notes to the Financial Statements

#### 2. Segmental Reporting (continued)

EA's operating expenditure for the year ended 31 March 2021 is analysed between services as follows:

2020/21	Schools' Delegated Budget	Earmarked/ ring fenced	Children and Young People's Services	Other	Total
	£000	£000	£000	£000	£000
Gross Expenditure	1,338,587	244,499	342,966	464,913	2,390,965
Income	(4,577)	-	(1,349)	(20,497)	(26,423)
<b>Net Expenditure</b>	<b>1,334,010</b>	<b>244,499</b>	<b>341,617</b>	<b>444,416</b>	<b>2,364,542</b>

#### Reconciliation between Operating Segments and SoCNE 2020/21

2020/21	Schools' Delegated Budget	Earmarked/ ring fenced	Children and Young People's Services	Other	Total
	£000	£000	£000	£000	£000
<b>Total net expenditure reported for operating segments</b>	<b>1,334,010</b>	<b>244,499</b>	<b>341,617</b>	<b>444,416</b>	<b>2,364,542</b>
Reconciling items:					
Notional costs	-	-	-	3,600	3,600
Depreciation and Impairment charges	-	-	-	108,471	108,471
IAS19 pension costs	-	-	-	85,715	85,715
(Profit)/loss on disposal of property, plant & equipment	-	-	-	(65)	(65)
Movement in Provisions	-	-	-	3,114	3,114
PFI Dual Reporting Adjustment	-	-	-	2,261	2,261
Other non-cash items	-	-	-	(1,641)	(1,641)
<b>Total net expenditure per SOCNE</b>	<b>1,334,010</b>	<b>244,499</b>	<b>341,617</b>	<b>645,871</b>	<b>2,565,997</b>

\* See note 14

## Financial Statements

### Notes to the Financial Statements

EA's net operating expenditure for the year ended 31 March 2020 is analysed between services as follows:

2019/20	Schools' Delegated Budget	Earmarked/ ring fenced	CYPS	Other	Total
	£000	£000	£000	£000	£000
Gross Expenditure	1,246,830	88,567	310,552	497,923	2,143,872
Income	(17,014)	(175)	(1,119)	(44,428)	(62,736)
<b>Net Expenditure</b>	<b>1,229,816</b>	<b>88,392</b>	<b>309,433</b>	<b>453,495</b>	<b>2,081,136</b>

### Reconciliation between Operating Segments and SoCNE 2019/20

2019/20	Schools' Delegated Budget	Earmarked/ ring fenced	CYPS	Other	Total
	£000	£000	£000	£000	£000
<b>Total net expenditure reported for operating segments</b>	1,229,816	88,392	309,433	453,495	2,081,136
Reconciling items:					
Notional costs				3,352	3,352
Depreciation and Impairment charges				103,339	103,339
IAS19 pension costs				86,926	86,926
Profit on disposal of property, plant & equipment				(261)	(261)
Movement in Provisions				2,061	2,061
PFI Dual Reporting Adjustment				2,148	2,148
Other non-cash items				(481)	(481)
<b>Total net expenditure per SOCNE</b>	<b>1,229,816</b>	<b>88,392</b>	<b>309,433</b>	<b>650,579</b>	<b>2,278,220</b>

## Financial Statements

### Notes to the Financial Statements

#### 3. Income from Sale of Goods and Services

	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Catering operations	10,310	31,463
Recoupment of costs	12,400	18,318
Tuition fees	361	1,832
Letting of halls	274	955
Outdoor Education charges	21	775
Other income generating activities	2,040	6,841
Miscellaneous	1,017	2,551
	<b>26,423</b>	<b>62,735</b>

In line with accounting policy Note 1.2.2 *Income from Sale of Goods and Services*, EA has considered the requirements of IFRS 15 Revenue from Contracts with Customers. Income falling within the scope of IFRS 15 and relating to contracts with customers includes Catering operations £10,310k (£31,463k 2019/20), Letting of halls £274k (£955k 2019/20) and Outdoor Education charges £21k (£775k 2019/20).

Income in respect of Recoupment of costs, Tuition fees, Other income generating activities and Miscellaneous Income are considered to be outside the scope of IFRS 15.

Income received in 2020/21 was directly impacted by the outbreak of COVID-19 – the NI Assembly announced measures to respond to the unprecedented challenges, including the requirement for all NI citizens to exercise social distancing and, as part of this requirement schools, pre-school and early years' settings as well as youth services were required to close on Friday 20th March. They re-opened again at the beginning of September 2020, but, in line with the second national lockdown, they were required to close again following the Christmas 2020 holidays. Government restrictions were gradually lifted from 8<sup>th</sup> March 2021 to 26<sup>th</sup> April 2021 when there was a full return of all pupils to classroom teaching.

#### 4. Other Operating Income

	<b>2020/21 £000</b>	<b>2019/20 £000</b>
European funds	1,677	3,754
New Opportunities Fund/Big Lottery	(2)	35
Capital Income	819	1,038
Other Grants	4,681	4,494
	<b>7,175</b>	<b>9,321</b>

Other Operating Income consists of grants which have no commercial substance and are therefore considered to be outside the scope of IFRS 15.

**Financial Statements**  
**Notes to the Financial Statements**

**5. Staff Costs**

**Staff Costs comprise:**

	2020/21				2019/20
	Permanent staff	Temporary Staff *	Others	Total	Total £000
	£000	£000	£000	£000	£000
<b>Teaching</b>					
Wages and salaries	648,002	96,109	-	744,111	652,478
Social Security costs	72,634	9,414	-	82,048	71,951
Other pension costs	156,689	23,226	-	179,915	163,237
Other employee expenses	15,004	-	-	15,004	17,483
	892,329	128,749	-	1,021,078	905,149
Less recoveries in respect of outward secondments	-	-	-	-	-
	892,329	128,749	-	1,021,078	905,149
<b>Non-Teaching (including Board Members)</b>					
Wages and salaries	262,310	161,409	5,105	428,824	402,123
Social Security costs	20,473	7,716	-	28,189	26,253
Pension costs	47,920	27,547	-	75,467	76,161
Other employee expenses	12,171	245	-	12,416	5,469
	342,874	196,917	5,105	544,896	510,006
Less recoveries in respect of outward secondments	(107)	-	-	(107)	(178)
	342,767	196,917	5,105	544,789	509,828
<b>TOTAL</b>	<b>1,235,096</b>	<b>325,666</b>	<b>5,105</b>	<b>1,565,867</b>	<b>1,414,977</b>

\* "Temporary Staff" are defined within EA as those members of staff who are in a temporary post, not necessarily on a temporary contract.

Further detail in relation to staff costs can be found in the Accountability Report - Staff Report.



**Financial Statements**  
**Notes to the Financial Statements**

**6. Purchase of Goods and Services**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£000</b>	<b>£000</b>
Premises and grounds costs	106,975	105,233
Supplies and Services	163,752	128,161
Transport costs	78,495	85,643
Establishment costs	15,886	13,810
Miscellaneous	7,927	7,697
<b>Non-cash items:</b>		
Pension Costs	70,511	67,733
(Profit)/Loss on disposal of property, plant and equipment	(65)	(261)
<b>Purchase of Goods and Services before provisions</b>	<b>443,481</b>	<b>408,016</b>
Provisions expense ( <b>provisions provided for in year less any release not required Note 18</b> )	4,948	5,009
	<b>448,429</b>	<b>413,025</b>
<b><i>Purchase of goods and services detailed above includes:</i></b>		
Rentals under operating leases – Land & Buildings	179	287
Rentals under operating leases – Other	677	1,010
PFI (and other service concession arrangements) service charges (Note 21)	22,226	26,112
Hospitality	3	18
	<b>23,085</b>	<b>27,427</b>

(i) During the year EA purchased £1k (2019-20 £nil) of non-audit services from its auditor in relation to the National Fraud Initiative (NFI).

**Financial Statements**  
**Notes to the Financial Statements**

**7. Depreciation and Impairment Charges**

	<b>2020/21</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>
Depreciation of property, plant and equipment (Note 10)	101,959	100,846
Amortisation of intangible assets (Note 11)	1,137	1,024
Impairment charge / (credit) on property, plant and equipment to SOCNE (Note 13)	5,375	1,469
	<b>108,471</b>	<b>103,339</b>

**8. Notional Costs**

	<b>2020/21</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>
Auditors' remuneration (i)	160	155
Teachers' payroll	3,439	3,197
LPS Valuation Fee	1	-
	<b>3,600</b>	<b>3,352</b>

**9. Grants Payable**

	<b>2020/21</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>
Voluntary Grammar/ Grant Maintained Integrated Schools	409,047	352,781
Pre-School Education Programme (PEG) grants	19,732	15,377
Youth Service grants	15,178	14,674
Department of Health	3,791	4,011
Department of Agriculture, Environment and Rural Affairs	270	290
Other	10,006	9,257
	<b>458,024</b>	<b>396,390</b>

**Financial Statements**  
**Notes to the Financial Statements**

**10. Property, Plant and Equipment**

2020/21	Land	Buildings	Vehicles	Information Technology	Plant & Machinery	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1 April 2020	464,584	1,755,580	91,374	127,582	89,142	82,951	2,611,213
Additions	-	26,604	13,890	21,753	9,038	25,957	97,242
Asset Transfer	1,800	51,324	-	286	447	(53,857)	-
Disposals	-	-	(4,036)	(23)	(229)	-	(4,288)
Impairment	-	(6,726)	-	-	-	-	(6,726)
Revaluation	-	-	(2,479)	1,742	(9,781)	-	(10,518)
Transferred to non-current assets held for sale	(232)	(194)	-	-	-	-	(426)
<b>At 31 March 2021</b>	<b>466,152</b>	<b>1,826,588</b>	<b>98,749</b>	<b>151,340</b>	<b>88,617</b>	<b>55,051</b>	<b>2,686,497</b>
<b>Depreciation</b>							
At 1 April 2020	-	153,047	70,364	107,309	54,670	-	385,390
Charge in year	-	78,831	4,278	13,289	5,561	-	101,959
Disposals	-	-	(3,931)	(18)	(210)	-	(4,159)
Impairment	-	(1,361)	-	-	-	-	(1,361)
Revaluation	-	-	(1,889)	1,276	(6,001)	-	(6,614)
Transferred to non-current assets held for sale	-	(31)	-	-	-	-	(31)
<b>At 31 March 2021</b>	<b>-</b>	<b>230,486</b>	<b>68,822</b>	<b>121,856</b>	<b>54,020</b>	<b>-</b>	<b>475,184</b>
<b>Carrying Amount at 31 March 2021</b>	<b>466,152</b>	<b>1,596,102</b>	<b>29,927</b>	<b>29,484</b>	<b>34,597</b>	<b>55,051</b>	<b>2,211,313</b>
<b>Carrying Amount at 31 March 2020</b>	<b>464,584</b>	<b>1,602,533</b>	<b>21,010</b>	<b>20,273</b>	<b>34,472</b>	<b>82,951</b>	<b>2,225,823</b>

**Financial Statements**  
**Notes to the Financial Statements**

**10. Property, Plant and Equipment continued**

<b>Asset Financing</b>							
<b>2020/21</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Information Technology</b>	<b>Plant &amp; Machinery</b>	<b>Assets under Construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Owned</b>	439,455	1,308,573	29,927	29,484	34,597	55,051	1,897,087
<b>Long Leasehold</b>	26,597	116,674	-	-	-	-	143,271
<b>On-Balance Sheet (SoFP) PFI</b>	100	170,855	-	-	-	-	170,955
<b>Carrying Amount at 31 March 2021</b>	<b>466,152</b>	<b>1,596,102</b>	<b>29,927</b>	<b>29,484</b>	<b>34,597</b>	<b>55,051</b>	<b>2,211,313</b>

**Financial Statements**  
**Notes to the Financial Statements**

**10. Property, Plant and Equipment continued**

2019/20	Land	Buildings	Vehicles	Information Technology	Plant & Machinery	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>							
At 1 April 2019	467,292	1,685,204	92,203	116,811	79,578	40,476	2,481,564
Additions	-	14,215	3,059	9,636	8,817	44,480	80,207
Asset Transfer	-	1,867	-	-	138	(2,005)	-
Disposals	-	-	(3,570)	(17)	(558)	-	(4,145)
Impairment	(697)	(11,947)	-	-	-	-	(12,644)
Revaluation	-	66,814	(318)	1,152	1,167	-	68,815
Transferred to non-current assets held for sale	(2,011)	(573)	-	-	-	-	(2,584)
<b>At 31 March 2020</b>	<b>464,584</b>	<b>1,755,580</b>	<b>91,374</b>	<b>127,582</b>	<b>89,142</b>	<b>82,951</b>	<b>2,611,213</b>
<b>Depreciation</b>							
At 1 April 2019	-	73,391	68,582	92,416	48,787	-	283,176
Charge in year	-	75,548	5,527	14,082	5,689	-	100,846
Disposals	-	-	(3,502)	(17)	(543)	-	(4,062)
Impairment	-	(1,477)	-	-	-	-	(1,477)
Revaluation	-	5,644	(243)	828	737	-	6,966
Transferred to non-current assets held for sale	-	(59)	-	-	-	-	(59)
<b>At 31 March 2020</b>	<b>-</b>	<b>153,047</b>	<b>70,364</b>	<b>107,309</b>	<b>54,670</b>	<b>-</b>	<b>385,390</b>
<b>Carrying Amount at 31 March 2020</b>	<b>464,584</b>	<b>1,602,533</b>	<b>21,010</b>	<b>20,273</b>	<b>34,472</b>	<b>82,951</b>	<b>2,225,823</b>
<b>Carrying Amount at 31 March 2019</b>	<b>467,292</b>	<b>1,611,813</b>	<b>23,621</b>	<b>24,395</b>	<b>30,791</b>	<b>40,476</b>	<b>2,198,388</b>

**Financial Statements**  
**Notes to the Financial Statements**

**10. Property, Plant and Equipment continued**

<b>Asset Financing</b>							
<b>2019/20</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Information Technology</b>	<b>Plant &amp; Machinery</b>	<b>Assets under Construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Owned</b>	437,839	1,312,331	21,010	20,273	34,472	82,951	1,908,876
<b>Long Leasehold</b>	26,645	114,625	-	-	-	-	141,270
<b>On-Balance Sheet (SoFP) PFI</b>	100	175,577	-	-	-	-	175,677
<b>Carrying Amount at 31 March 2020</b>	<b>464,584</b>	<b>1,602,533</b>	<b>21,010</b>	<b>20,273</b>	<b>34,472</b>	<b>82,951</b>	<b>2,225,823</b>

A full revaluation exercise of all land and buildings assets was carried out by Land and Property Services (LPS) during the 2017/18 financial year to provide an updated valuation as at 31 March 2018. The next scheduled valuation will be as at 31 March 2023.

Valuations in respects of assets other than land and buildings are updated annually using appropriate indices or professional valuations as provided by LPS.

Should non-current assets be sold, proceeds from the sale can only be retained with the approval of DE and otherwise must be surrendered to DE.

The net book value of property, plant and equipment includes an amount of £14,970k (2019/20: £15,741k) in respect of assets held in Reversionary Trusts i.e. if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

The net book value of property, plant and equipment noted above does not include maintained schools, apart from school meals kitchens accommodation operating on such sites, which are owned by EA. The ownership of maintained schools rests with the trustees. In 2020/21 there were 476 such schools (2019/20: 477).

The net book value of property, plant and equipment includes an amount of £nil in respect of donated assets (2019/20 £nil).

**Financial Statements**  
**Notes to the Financial Statements**

**11. Intangible Assets**

<b>2020/21</b>	<b>Intangible Assets</b>	<b>Intangible Assets Under Construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>			
At 31 March 2020	5,069	14,459	19,528
Additions	1,096	5,876	6,972
Disposals	-	-	-
Impairments	-	-	-
Revaluation	26	-	26
<b>At 31 March 2021</b>	<b>6,191</b>	<b>20,335</b>	<b>26,526</b>
<b>Amortisation</b>			
At 31 March 2020	2,889	-	2,889
Charged in year	1,137	-	1,137
Disposals	-	-	-
Impairments	-	-	-
Revaluation	26	-	26
<b>At 31 March 2021</b>	<b>4,052</b>	<b>-</b>	<b>4,052</b>
<b>Carrying Amount at 31 March 2021</b>	<b>2,139</b>	<b>20,335</b>	<b>22,474</b>
<b>Carrying Amount at 31 March 2020</b>	<b>2,180</b>	<b>14,459</b>	<b>16,639</b>
<b>Asset Financing</b>			
Owned	2,139	20,335	22,474
Finance Leased	-	-	-
<b>Carrying Amount at 31 March 2021</b>	<b>2,139</b>	<b>20,335</b>	<b>22,474</b>

**Financial Statements**  
**Notes to the Financial Statements**

**11. Intangible Assets Continued**

<b>2019/20</b>	<b>Intangible Assets</b>	<b>Intangible Assets Under Construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>			
At 1 April 2019	3,711	7,251	10,962
Additions	1,342	7,208	8,550
Disposals	(2)	-	(2)
Impairments	-	-	-
Revaluation	18	-	18
<b>At 31 March 2020</b>	<b>5,069</b>	<b>14,459</b>	<b>19,528</b>
<b>Amortisation</b>			
At 1 April 2019	1,849	-	1,849
Charged in year	1,024	-	1,024
Disposals	(2)	-	(2)
Impairments	-	-	-
Revaluation	18	-	18
<b>At 31 March 2020</b>	<b>2,889</b>	<b>-</b>	<b>2,889</b>
<b>Carrying Amount at 31 March 2020</b>	<b>2,180</b>	<b>14,459</b>	<b>16,639</b>
<b>Carrying Amount at 31 March 2019</b>	<b>1,862</b>	<b>7,251</b>	<b>9,113</b>
<b>Asset Financing</b>			
Owned	2,180	14,459	16,639
Finance Leased	-	-	-
<b>Carrying Amount at 31 March 2020</b>	<b>2,180</b>	<b>14,459</b>	<b>16,639</b>



**Financial Statements**  
**Notes to the Financial Statements**

**12. Assets Classified as Held for Sale**

	<b>Land £000</b>
<b>Opening balance at 1 April 2019</b>	<b>356</b>
Assets classified as held for sale in the year	2,525
Additions	31
Revaluation	(96)
Assets sold in the year	(2,460)
<b>Closing balance at 31 March 2020</b>	<b>356</b>
Assets classified as held for sale in the year	393
Additions	-
Revaluation	(213)
Assets sold in the year	(215)
<b>Closing balance at 31 March 2021</b>	<b>321</b>

**Assets sold in the year comprised the following:**

- land at Turf Lodge Youth Club;
- land at former Castle Tower Special School;
- land at Rosstulla Special School; and
- land at Bellarena PS.

**At 31 March 2021 non-current assets held for sale comprise:**

- land and buildings at Faughan Valley HS; and
- land and buildings at former Ballymoney Music Centre.

**13. Impairments**

	<b>2020/21 £000</b>	<b>2019/20 £000</b>
(Credited)/charged to the SOCNE (Note 7)	5,375	1,469
Transfer between the Revaluation Reserve and the General Reserve	35,512	34,071
	<b>40,887</b>	<b>35,540</b>

**Financial Statements**  
**Notes to the Financial Statements**

**14. Inventories**

	<b>2020/21</b> <b>£000</b>	<b>2019/20</b> <b>£000</b>
Catering	782	851
Maintenance and central depots	722	707
Musical instruments and book stock	7,900	8,535
Schools' Stock (i)	23,318	22,737
Grounds' Maintenance Service Stock	1,434	1,523
PPE stock (ii)	1,196	-
	<b>35,352</b>	<b>34,353</b>

- (i) In acknowledgement of the demands on school leaders due to COVID-19 and in order to minimise the impact of year end processes on front line workers, EA did not require schools to undertake a complete year end stocktake as at 31 March 2021. EA, instead, sought assurance that the value of stock held by schools as at 31 March 2021, was not materially different to that reported in the previous year, 31 March 2020. Thus, the schools' stock value remains the same as in 2019/20, adjusted by £581k for schools who submitted stock adjustments.
- (ii) DoF advised for 2020/21, an exemption in respect of budgeting rules for COVID-19 Personal Protective Equipment (PPE) - where PPE is purchased and not used by 31 March 2021, the cost would be scored as resource spend in the budget and not stock for budget outturn reporting. For the purposes of the financial statements, closing PPE has been counted and valued in line with standard procedures. Closing PPE is therefore a reconciling item between the budgets and the financial statements as shown in Note 27 (Financial Target – resource).

## Financial Statements

### Notes to the Financial Statements

#### 15. Trade Receivables, financial and other assets

	2020/21 £000	Restated* 2019/20 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	6,124	3,180
Other receivables	891	907
Prepayments	8,785	11,166
Accrued Income	23,410	28,666
Recoverable VAT: HMRC	15,961	7,096
<b>Total</b>	<b>55,171</b>	<b>51,015</b>
<b>Amounts falling due after more than one year:</b>		
Trade receivables	60	669
<b>Total</b>	<b>60</b>	<b>669</b>

\*Other receivable balances have been restated for 2019/20 to include debit balances which had previously been incorrectly offset against trade payable balances in Note 17.

#### 16. Cash and Cash Equivalents

	2020/21 £000	2019/20 £000
<b>Balance at 1 April</b>	16,965	14,039
Net change in cash and cash equivalent balances	(11,656)	2,926
<b>Balance at 31 March</b>	<b>5,039</b>	<b>16,965</b>
<b>The following balances at 31 March were held at:</b>		
Commercial banks and cash in hand	5,039	16,965
<b>Balance at 31 March</b>	<b>5,039</b>	<b>16,965</b>

## Financial Statements

### Notes to the Financial Statements

#### 17. Trade Payables, financial and other liabilities

	2020/21 £000	Restated* 2019/20 £000
<b>Amounts falling due within one year:</b>		
Trade payables	17,096	21,233
Other payables	9,852	9,002
Accruals and deferred income	207,802	163,134
Current part of imputed finance lease element of on-balance sheet (SOFP) PFI contracts (Note 21.2)	5,197	4,948
Other taxation and Social Security: HMRC	5,311	4,983
<b>Total</b>	<b>245,258</b>	<b>203,300</b>
<b>Amounts falling due after more than one year:</b>		
Other payables, accruals and deferred income	1,182	1,099
Imputed finance lease element of on-balance sheet (SOFP) PFI contracts	132,901	138,099
<b>Total</b>	<b>134,083</b>	<b>139,198</b>

\*Other payable balances have been restated for 2019/20 to exclude debit balances which had previously been incorrectly offset against trade payable balances in Note 17.

#### 18. Provisions for Liabilities and Charges

	Employer & Public Liability Claims £000	Job Evaluation £000	Other £000	Total £000
Balance at 1 April 2019	5,052	284	5,777	11,113
Provided in the year	7,028	-	-	7,028
Provisions not required written back	(1,873)	-	(146)	(2,019)
Provisions utilised in the year	(2,743)	-	(205)	(2,948)
<b>Balance at 1 April 2020</b>	<b>7,464</b>	<b>284</b>	<b>5,426</b>	<b>13,174</b>
Provided in the year	7,280	-	-	7,280
Provisions not required written back	(2,332)	-	-	(2,332)
Provisions utilised in the year	(1,836)	-	-	(1,836)
<b>Balance at 31 March 2021</b>	<b>10,576</b>	<b>284</b>	<b>5,426</b>	<b>16,286</b>

**Financial Statements**  
**Notes to the Financial Statements**

**Analysis of expected timing of discounted cash flows**

<b>2020/21</b>	<b>Employer &amp; Public Liability Claims £000</b>	<b>Job Evaluation £000</b>	<b>Other £000</b>	<b>Total £000</b>
Not later than one year	365	284	260	909
Later than one year and not later than five	10,211	-	3,308	13,519
Later than five years	-	-	1,858	1,858
<b>Balance at 31 March 2021</b>	<b>10,576</b>	<b>284</b>	<b>5,426</b>	<b>16,286</b>

**Employer and Public Liability Claims**

These are claims against EA submitted by members of staff and/or the public in relation to accidents or incidents, which have happened before the SoFP date. Claims which are not considered dormant or statute barred by the passage of time since being lodged, but have progressed sufficiently to allow an estimated 'settlement' figure to be calculated, are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case's progress is dependent on individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated 'settlement' figure may in subsequent years be revised up or down.

**Job Evaluation**

This provision refers to employees, whose posts are due to be evaluated under the job evaluation scheme. As a result, employees may be re-graded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where EA is able to make a reasonable estimation of the arrears liability.

The timing of payments is likely to vary for the different categories of staff. However, EA makes every effort to progress such payments as soon as possible, once union and individual agreement has been formally reached.

The level of information available on which to base estimates for arrears increases the closer a staff category is to completion of the job evaluation process.

**Other**

The provision refers to industrial tribunal cases pending and sundry legal costs.

## Financial Statements

### Notes to the Financial Statements

#### Premature Retirement for Teachers

As directed by DE, with the consent of DoF, a provision has not been included in EA's accounts for future liabilities in respect of existing teacher premature retirement cases. It is agreed that any assessment of future financial liabilities in this regard should be reflected in the Teachers' Superannuation Account (part of the Departmental accounting structure).

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to EA's SOCNE. In that respect there was 5,545 premature retirement compensation cases at 31 March 2021 (5,759 March 2020).

#### 19. Capital Commitments

	2020/21 £000	2019/20 £000
<b>Contracted capital commitments not otherwise included in the financial statements:</b>		
Property, plant and equipment	77,989	59,766
	<b>77,989</b>	<b>59,766</b>

#### 20. Commitments under Leases

##### 20.1 Operating Leases

£856k (2019/20: £1,298k) was included as an expense on operating leases in the SOCNE. Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2020/21 £000	2019/20 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
<b>Land</b>		
Not later than one year	36	41
Later than one year and not later than five years	55	61
Later than five years	36	49
	<b>127</b>	<b>151</b>
<b>Buildings</b>		
Not later than one year	82	138
Later than one year and not later than five years	91	108
Later than five years	233	251
	<b>406</b>	<b>497</b>
<b>Other</b>		
Not later than one year	690	690
Later than one year and not later than five years	1,032	915
Later than five years	-	-
	<b>1,722</b>	<b>1,605</b>
<b>TOTAL</b>	<b>2,255</b>	<b>2,253</b>

## Financial Statements

### Notes to the Financial Statements

In addition to the above, DE has leased Arvalee School (on the Strule Shared Education Campus) to EA for a peppercorn rent. The lease runs from 1 September 2016 to 31 August 2025. Upon completion of construction at the Strule Shared Education Campus the Department of Education will retain the freehold and will continue to lease Arvalee to the Education Authority under a new 999 year lease for a peppercorn rent.

#### **21. Commitments under Private Finance Initiative Contracts and Other Service Concession arrangement contracts**

##### **21.1 Off-balance sheet (SoFP)**

EA acts as a paying agent for DE in relation to a number of PFI contracts. In each case the property is not an asset of EA and is not included in the SoFP.

The contracts in place are as follows:

- **Lagan College, Belfast** (a Grant Maintained Integrated School) In this case the payments are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.
- **Down and Connor Public Private Partnership (PFI) Scheme** This scheme consists of three schools - St Joseph's Primary School, Carryduff (an EA School), Our Lady and St Patrick's College Knock (a Voluntary Grammar School) and St Mary's Primary School, Portglenone (an EA School). The unitary payments in respect of St Joseph's PS, Carryduff and St Mary's PS, Portglenone are funded through EA while the payments in respect of Our Lady and St Patrick's College Knock are accounted for on a 'pass-through' and do not affect the amounts disclosed in these accounts.
- **De La Salle PFI Scheme** This scheme consists of St Patrick's Grammar School, Downpatrick (a Voluntary Grammar School). Payments in respect of this scheme are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.
- **Holy Cross College, Strabane (an EA School)**
- **St Mary's College, Derry (an EA School)**
- **St Cecilia's College, Derry (an EA School)**
- **St Genevieve's High School, Belfast (an EA School)**

##### **Charge to the SoCNE and future commitments**

The total amount charged in the SoCNE in respect of off-balance sheet (SoFP) PFI or other service concession transactions was £13,388k (2019/20: £14,380k). Total future minimum payments under off-balance sheet PFI and other service concession arrangements are given in the table below for each of the following periods:

## Financial Statements

### Notes to the Financial Statements

	2020/21 £000	2019/20 £000
Not later than one year	14,966	14,715
Later than one year and not later than five years	59,866	58,859
Later than five years	101,323	117,295
<b>Total</b>	<b>176,155</b>	<b>190,869</b>

#### 21.2 On-Balance Sheet (SoFP)

EA has a number of on-balance sheet (SoFP) PFI contracts and other service concession arrangements contracts currently in place. In each case under IFRIC12 the asset is included as an asset of EA. The substance of the contracts is that EA has a finance lease with the payments comprising two elements:

- imputed finance lease charges; and
- service charges.

The following PFI contracts and other service concession arrangements contracts are currently in place.

##### **(i) PFI Wellington College, Balmoral High School and the Regional Training Unit**

EA built Wellington College, Balmoral High School and the Regional Training Unit under a single PFI contract involving a land swap arrangement. The value of the land transferred covered the cost of construction and furniture and equipment of the buildings. The contract was for a period of 25 years and is due to expire on 1 January 2027. The monthly unitary charges relates to the caretaking, maintenance (building and grounds), cleaning, security, catering services and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis.

##### **(ii) PFI Contract for five Schools – Orangefield Primary School, Ashfield Girls' High School, Belfast Model School for Girls, Grosvenor Grammar School and Belfast Boys' Model School.**

EA has a single contract in place to build and maintain five schools which were opened in 2009 and 2010 and include:

- Orangefield Primary School;
- Ashfield Girls' High School;
- Belfast Model School for Girls;
- Grosvenor Grammar School; and
- Belfast Boys' Model School.

The contract for the services for each building covers the 30 year period from the date that the school is opened and is due to expire on 11 April 2039. The monthly unitary charge covers the contribution to the construction costs and the provision of services for caretaking, maintenance (building and grounds), external cleaning, security and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis. Internal cleaning and catering services are provided by EA. The Belfast Model School for Girls and the Belfast Boys' Model School buildings also include community facilities, the North Belfast City Learning Centre (NBCLC), which was jointly funded by:

- DE;



## Financial Statements

### Notes to the Financial Statements

- DoF;
- the Department of Health (DoH) (formerly the Department of Health, Social Services and Public Safety);
- the Executive Office (formerly the Office of First Minister and Deputy First Minister); and
- the Department for Communities (DfC) (formerly the Department of Culture, Arts and Leisure and the Department of Social Development).

#### (i) Bangor Academy and Sixth Form College and Nendrum College

EA operates a PFI Contract in respect of Bangor Academy and Sixth Form College and Nendrum College. Nendrum College opened on 29 February 2008 and Bangor Academy opened on 30 April 2008. Both of these schools are shown on-balance sheet. Ownership will transfer to EA on 1<sup>st</sup> March 2038.

#### (ii) Tor Bank Special School

EA operates a PFI Contract in respect of Tor Bank Special School, which was handed over on 22 October 2012. This scheme is shown on-balance sheet, although the budget is off-balance sheet which is accounted for through a dual reporting adjustment in Note 27. Ownership will transfer to EA on 21 October 2037.

#### (iii) Drumglass High School – Dungannon

EA operates a PFI contract in respect of the provision of accommodation and related services at Drumglass High School, Dungannon. The PFI contract commenced in September 2000 and runs for 25 years, ending on 31 August 2025.

#### (iv) C2k Project

EA has responsibility for the C2k project. This is a PFI scheme which provides an IT system to schools which supports teaching, learning and administration. This contract is due to expire on 31<sup>st</sup> March 2024.

### Charge to the SoCNE and future commitments

The total amount charged in the SOCNE in respect of the service element of on-balance sheet PFI or other service concession transactions was £11,528k (2019/20: £11,732k). Total future obligations under on-balance sheet PFI and other service concession arrangements are given in the table below for the following periods:

	2020/21 £000	2019/20 £000
<b>Minimum lease payments (Capital and Interest):</b>		
Due within one year	11,900	11,900
Due later than one year and not later than five years	47,276	47,598
Due later than five years	150,204	161,781
<b>Total lease payments (Capital and Interest) (A)</b>	<b>209,380</b>	<b>221,279</b>
Less interest element	(71,282)	(78,232)
<b>Present value of Capital element of lease repayments</b>	<b>138,098</b>	<b>143,047</b>

## Financial Statements

### Notes to the Financial Statements

<i>Included in SoFP as falling due within one year</i>	5,197	4,948
<i>Included in SoFP as falling due in more than one year</i>	132,901	138,099

	2020/21 £000	2019/20 £000
<b>Service elements due in future periods:</b>		
Due within one year	12,398	12,181
Due later than one year and not later than five years	49,497	48,724
Due later than five years	138,045	147,057
<b>Total service elements due in future periods (B)</b>	<b>199,940</b>	<b>207,962</b>
<b>Total Commitments (A+B)</b>	<b>409,320</b>	<b>429,241</b>

## 22. Pension Obligations

SoFP	2021 £000	2020 £000
Fair value of assets	2,752,458	2,235,192
Present value of funded defined benefit obligation	(3,675,931)	(2,916,338)
Present value of unfunded defined benefit obligation	(18,050)	(18,002)
<b>Pension liability recognised in the SoFP</b>	<b>(941,523)</b>	<b>(699,148)</b>

Further detail in relation to pension obligations can be found in the Accountability Report – Remuneration and Staff Report within the Annual Report.

## 23. Contingent Liabilities disclosed under IAS 37

### Legal Cases and Public Liability

Proceedings against EA have been initiated for a number of public employer's liability and employment tribunal cases.

EA has accrued or provided for the estimated settlement cost of cases where it can be reliably estimated, i.e. amounts which are probable and ascertainable.

No amounts have been accrued or provided for in the accounts for cases where the likelihood of EA being found liable cannot be reliably determined or the value of settlements reasonably estimated on the basis that the cases concerned have not progressed sufficiently to allow assessment by EA solicitors.

## Financial Statements

### Notes to the Financial Statements

Based on previous cases of a similar nature, should EA be found liable for all cases listed and not already provided for within the accounts, the potential total settlement costs are estimated to be in the region of £4.9m (£9m 2019/20).

### Job Evaluation

Whilst EA expects a liability could arise, until relevant job descriptions and evaluations have been agreed, EA cannot estimate, with any certainty, the value of liability. Liability is contingent upon a future event which is outside the control of EA.

### 24. Related Party Transactions

EA is a Non-Departmental Public Body sponsored by DE and DfE.

The departments are regarded as related parties. During the year, EA has had various material transactions with the departments and with other entities for which the departments are regarded as the parent department.

In addition, EA has had a small number of material transactions with other government departments and other central government bodies. The majority of transactions are with the:

- The Department of Health;
- Health and Social Care Boards which are sponsored by DoH;
- Libraries NI; and
- The Department of Agriculture, Environment and Rural Affairs (DAERA).

No board member, key manager or other related parties undertook any material transactions with EA during the period.

Details of the remuneration of the Chief Executive and Directors of the Education Authority are disclosed with the Remuneration Report.

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

### 25. Third Party Assets

EA is responsible for the administration of trust funds which benefit the pupils of certain schools within its area. The Chief Executive, as accounting officer, is responsible for the propriety and regularity of the trust funds and for the keeping of proper records. These are not EA assets and are not included in the accounts. The assets, held at the SoFP date to which it was practical to ascribe monetary values, comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table on the next page.

	<b>2020/21 £000</b>	<b>2019/20 £000</b>
Monetary assets such as bank balances and monies on deposit	220	195
Listed securities	469	467
	<b>689</b>	<b>662</b>

## Financial Statements

### Notes to the Financial Statements

#### 26. Financial Instruments

As the cash requirements of EA are met through Grant-in-Aid provided by DE, 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 EA's expected purchase and usage requirements and EA is therefore exposed to little credit, liquidity or market risk. Further information on EA financial instruments is per Note 1.11.

#### 27. Financial Target – Resource

	DE £000	DE Schools Earmarked £000	Youth £000	DfE £000	Total £000
<b>Total net expenditure per SOCNE</b>	<b>2,270,807</b>	<b>240,977</b>	<b>40,659</b>	<b>13,554</b>	<b>2,565,997</b>
<b><u>Adjustments AME</u></b>					
Movement in Provisions	(3,153)	-	41	-	(3,112)
NILGOSC Pension Scheme Non cash element	(85,715)	-	-	-	(85,715)
Profit/(Loss) on disposal of non-current assets	4	-	61	-	65
Depreciation and Deficit on Revaluation	(103,772)	(1,256)	(3,443)	-	(108,471)
<b><u>Other Adjustments</u></b>					
PFI Dual Reporting Adjustment	(2,261)	-	-	-	(2,261)
EA PPE adjustment (Note 14)	1,196	-	-	-	1,196
Shared printing – Earmarked to capital	(190)	-	-	-	(190)
Capital funds from other bodies	819	-	-	-	819
Other non-cash items/capital income	37	-	-	-	37
Bad debt provision	(223)	-	-	-	(223)
Notional costs	(3,600)	-	-	-	(3,600)
<b>Net Expenditure</b>	<b>2,073,949</b>	<b>239,721</b>	<b>37,318</b>	<b>13,554</b>	<b>2,364,542</b>
<b>Final Budget Plan</b>	<b>2,084,385</b>	<b>239,624</b>	<b>37,318</b>	<b>14,572</b>	<b>2,375,899</b>
<b>Year-end position (2020/21)</b>	<b>10,436</b>	<b>(97)</b>	<b>-</b>	<b>1,018</b>	<b>11,357</b>
<b>Year-end position (2019/20)</b>	<b>61</b>	<b>(1,238)</b>	<b>79</b>	<b>557</b>	<b>(541)</b>

## Financial Statements

### Notes to the Financial Statements

	<b>£000</b>
Opening Schools funding commitment at 1 April 2020	26,462
Net movement in school surpluses in year	10,621
<b>Closing Schools funding commitment at 31 March 2021</b>	<b>37,083</b>

### Final Budget Plan

The Final Budget Plan includes Premature Retirement Compensation costs (PRC) and the portion of the previous year's surpluses allocated by DE in 2019/20 but excludes Annually Managed Expenditure (AME).

### Year-end position at 31 March 2021

EA's financial targets for 2020/21 were to contain expenditure within the accrued limits approved by the Departments in budget plans.

The Final Resource Outturn position reported for 2020/21 notes:

- additional costs directly attributable to the COVID-19 pandemic of over £150m;
- no block grant underspend or overspend after savings of £17m;
- a total underspend of £10m in DE resource allocations (excluding Earmarked and Youth); and
- a net overspend within DE Earmarked allocations of £0.1m and break even on Youth Earmarked.

### Schools' Funding Commitment at 31 March 2021

Following the abolition of the End Year Flexibility Scheme, the Executive endorsed proposals in June 2011 which provided a guarantee for schools to have access to past and future surpluses. Funding implications of any variations between planned and actual spend in year is managed between EA and DE.

### 28. Financial Target – Capital

	<b>DE £000</b>	<b>Youth £000</b>	<b>Total £000</b>
Total Capital Expenditure for the Period	98,021	5,400	103,421
Final Budget Plan	98,021	5,400	103,421
<b>Year-end position at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year-end position at 31 March 2020</b>	<b>26</b>	<b>3</b>	<b>29</b>

## **Financial Statements**

### **Notes to the Financial Statements**

#### **29. Events after the Reporting Period**

There are no events after the reporting period relating to the 2020/21 financial year.

#### **Date Authorised for Issue**

The accounting officer authorised the issue of these financial statements on 11 August 2022.

### Introduction

1. The Education Authority (EA) is required to prepare an Annual Report and Accounts in accordance with the Education Act (Northern Ireland) 2014 and the Department of Education (DE) directions issued thereunder.

### 2019-20 Annual Report and Accounts

2. The audit of the 2019-20 accounts was a prolonged process, with the accounts being certified in October 2021, some 19 months after the financial year-end.
3. In the 2019-20 Report to those Charged with Governance the Northern Ireland Audit Office (NIAO) acknowledged the challenges in preparing the Annual Report and Accounts against the background of disrupted working arrangements due to the COVID-19 pandemic.
4. However, we raised issues regarding the quality of the Annual Report and Accounts submitted for audit and the delays in receiving information requested. We also noted that during most of the audit period only one officer was available to deal audit queries, as well as their normal responsibilities, including production of the 2020-21 Annual Report and Accounts.
5. The NIAO recommended that the EA ensured that the finance team is adequately resourced and supported to ensure that audit queries can be cleared fully and in a timely manner. In response, the EA advised that "The Finance and ICT directorate continues with the process of restructuring and additional recurring resources for the corporate accounting function are planned. As an interim solution, additional resource is being provided to the corporate accounting team to ensure the audit can be properly supported pending the longer term structural changes." The EA indicated that the interim solution would be in place for January 2022.

### 2020-21 Annual Report and Accounts

6. As required, the EA submitted its draft 2020-21 Annual Report and Accounts to the NIAO on 28 May 2021. However, it was incomplete, with the EA advising that an updated set of draft accounts would be forwarded as soon as they received the required information. An updated and complete Annual Report and Accounts was not actually provided by the EA until 20 April 2022, almost 13 months after the financial year end and 11 months after the required submission date.
7. Although the EA had agreed to provide responses to NIAO information requests within five working days to prevent recurrence of the delays which occurred during the 2019-20 audit, this did not happen. In one instance, information requested on 2 November 2021 was not provided until 12 May 2022, over six months later.

### 2021-22 Annual Report and Accounts

8. The EA submitted the draft 2021-22 Annual Report and Accounts to DE on 26 May 2022. Once again the accounts were incomplete, with EA advising that the information required for some staff cost disclosures had not yet been finalised due to the roll out of a new payroll system. The NIAO also noted that, as in the previous year, the Remuneration Report was incomplete.

9. Audit work on the 2021-22 financial statements has commenced. However, the EA has not yet submitted a complete Annual Report and Accounts and there have been delays again in the provision of information required for the audit.

### **Review of Financial Process**

10. In 2016, the Northern Ireland Executive agreed that a Review of Financial Process to align Budgets, Estimates and Accounts should be taken forward, requiring departments to consolidate the financial statements of certain Arm's Length Bodies within the departmental Accounts and Estimates boundaries.
11. In 2022-23, departments' Spring Supplementary Estimates and Annual Accounts will be prepared on a group basis. Whilst the timetable for the consolidated Annual Accounts will remain the same as the current departmental Annual Accounts timetable, which has a statutory certification date of 31 October, the expectation is that the consolidated Annual Accounts will be audited within the current summer recess timetable.
12. As the EA is a significant component of the DE group, it is essential the EA audit is completed on a timely basis to facilitate completion of the consolidated Annual Accounts in accordance with the required timetable.

### **Conclusion**

13. I am disappointed at the length of time taken by the EA to prepare a complete 2020-21 Annual Report and Accounts and to respond to information requests, especially given the commitments made by the EA in response to issues raised during the 2019-20 audit.
14. In order to bring the 2021-22 audit back on track and prepare for the Review of Financial Process timetable, it is essential that the EA provides a complete 2021-22 Annual Report and Accounts as soon as possible, ensures that the finance team is adequately resourced to deal with all information requests and responds to all such requests on a timely basis.
15. I will continue to keep this area under review, reporting again as necessary.



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

**11 August 2022**



## GLOSSARY OF TERMS

<b>ARA</b>	Additional Responsibility Allowance
<b>ASEO</b>	Assistant Senior Education Officer
<b>BEM</b>	Building Engineering Management System
<b>BoG</b>	Board of Governors
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method
<b>BST</b>	Behavioural Support Team
<b>CASS</b>	Curriculum Advisory Support Service
<b>C&amp;AG</b>	Comptroller & Auditor General
<b>CB</b>	Companion of the Most Honourable Order of the Bath
<b>CCMS</b>	Council for Catholic Maintained Schools
<b>CoP</b>	Code of Practice
<b>CPD</b>	Continuing Professional Development
<b>CPSSS</b>	Child Protection Support Service for Schools
<b>CRED</b>	Community Relations, Equality and Diversity
<b>CSSC</b>	Controlled Schools Support Council
<b>CYPS</b>	Children & Young Peoples' Services
<b>DE</b>	Department of Education
<b>DAERA</b>	Department of Agriculture, Environment and Rural Affairs
<b>DfE</b>	Department for the Economy
<b>DOCPEG</b>	Designated Officer for Child Protection Education Group
<b>DoF</b>	Department of Finance
<b>DP</b>	Development Proposal
<b>DSC</b>	Delivering Social Change
<b>EA</b>	Education Authority
<b>EF</b>	Entitlement Framework
<b>EITP</b>	Early Intervention Transformation Programme
<b>ELBs</b>	Education & Library Boards
<b>EMS</b>	Education Management System
<b>EOTAS</b>	Education Other Than At School
<b>EPS</b>	Education Psychology Service
<b>ES</b>	Extended Schools
<b>ESAGS</b>	Every School a Good School
<b>ESD</b>	Education for Sustainable Development
<b>ETI</b>	Education and Training Inspectorate
<b>EWO</b>	Education Welfare Officer
<b>EWS</b>	Education Welfare Service
<b>FE</b>	Further Education
<b>FTE</b>	Full Time Equivalent
<b>FSM</b>	Free School Meals
<b>FSME</b>	Free School Meals Entitlement
<b>FReM</b>	Financial Reporting Manual
<b>GBA</b>	Governing Bodies Association
<b>HEI</b>	Higher Education Institutions
<b>HOS</b>	Head of Service
<b>IA</b>	Internal Audit
<b>IDS</b>	Inclusion & Diversity Service
<b>IE</b>	Integrated Education
<b>IM</b>	Irish Medium
<b>LAC</b>	Looked After Children
<b>LMS</b>	Local Management of Schools

## GLOSSARY OF TERMS

<b>LPS</b>	Land & Property Services
<b>MEMR</b>	Monthly Expenditure Monitoring Report
<b>MTAC</b>	Membership and Teaching Appointments Committee
<b>NIAO</b>	Northern Ireland Audit Office
<b>NISRA</b>	Northern Ireland Statistics and Research Agency
<b>NISTR</b>	Northern Ireland Substitute Teachers' Register
<b>NRA</b>	Neighbourhood Renewal Area
<b>OBE</b>	Officer of the Most Excellent Order of the British Empire
<b>OEC</b>	Outdoor Education Centre
<b>PAC</b>	Public Accounts Committee
<b>PED</b>	Personal Education Plan
<b>PFG</b>	Programme for Government
<b>PFY</b>	Priorities for Youth
<b>PQH</b>	Professional Qualification for Headship
<b>PRSD</b>	Performance Review & Staff Development
<b>PRU</b>	Pupil Referral Unit
<b>RMD</b>	Regional Managing Director
<b>RYDP</b>	Regional Youth Development Plan
<b>SBNI</b>	Safeguarding Board for Northern Ireland
<b>SCELB</b>	Staff Commission for Education and Library Boards
<b>SDP</b>	School Development Plan
<b>SEBD</b>	Social, Emotional & Behavioural Difficulties
<b>SEN</b>	Special Educational Needs
<b>SENCO</b>	Special Educational Needs Co-ordinator
<b>SEND</b>	Special Educational Needs and Disability
<b>SESP</b>	Shared Education Signature Project
<b>SIMS</b>	Schools' Management Information System
<b>SMT</b>	Senior Management Team
<b>SRO</b>	Senior Responsible Officer
<b>SSEC</b>	Strule Shared Education Campus
<b>SSP</b>	Sustainable Schools Policy
<b>STEM</b>	Science, Technology, Engineering & Maths
<b>TBUC</b>	Together Building United Communities
<b>TESS</b>	Traveller Education Support Service
<b>TEO</b>	The Executive Office
<b>TSC</b>	Term Service Contract
<b>VES</b>	Voluntary Exit Scheme
<b>YCNI</b>	Youth Council Northern Ireland