

Sports Council for Northern Ireland Lottery
Distribution Account for the Year Ended
31 March 2015

Sports Council for Northern Ireland Lottery Distribution Account for the Year Ended 31 March 2015

Presented to Parliament pursuant to C.39, Section 35(5) of the National Lottery etc. Act 1993
(as amended by the National Lottery Act 1998)

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SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Directors' Report

Statutory Background

The Sports Council for Northern Ireland (Sports Council), is the statutory body through which public funding for sport in Northern Ireland is channelled. It was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973. Its object is the furtherance of sport and physical recreation and its functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986.

The National Lottery etc. Act 1993 (the 1993 Act) established the National Lottery and designated five 'good causes': arts, sport, national heritage, charitable projects and projects to mark the year 2001 and the beginning of the third millennium. The National Lottery Act 1998 (the 1998 Act) which came into force in July 1998 established a sixth good cause, the New Opportunities Fund, the functions of which were taken on by the Big Lottery Fund through the National Lottery Act 2006 (the 2006 Act). Each of the good causes receives a percentage of the net proceeds of the Lottery paid out of the National Lottery Distribution Fund (NLDF).

Sports Council is charged under the 1993 Act with responsibility for distributing 2.8% of the money allocated to sport. However, as of July 1999 Sports Council received a reduced contribution of 2.6% as a top sliced contribution of 0.2% became payable to the UK Sport in respect of the United Kingdom wide World Class Performance Programme for elite athletes.

Sports Council is required to prepare a statement of accounts for each financial year in accordance with sections 35(2) and 35(3) of the National Lottery etc. Act 1993 and the Lottery Accounts Direction given by the Department for Communities (referred to as "the Department", formerly Department for Culture, Arts and Leisure, on behalf of Department for Digital, Culture, Media and Sport (DCMS) (formerly Department for Culture, Media and Sport). Revised Lottery Accounts Directions were issued to Sports Council in December 2014, a copy of which can be obtained from Sports Council on request. Revised Lottery Policy Directions were issued to Sports Council on 16 April 2008. From 16 April 2008 onwards, Sports Council has observed the requirements of these revised directions when distributing funds from the National Lottery.

Principal Functions related to National Lottery Distribution Activities

The Sports Council has developed its policies and procedures for the Lottery Fund within the framework of the 1993 Act (as amended by the National Lottery Act 1998) and the policy and financial directions (the Directions). Sports Council's policies and procedures are continually under review to ensure that they comply with requirements, remain appropriate and that the maximum benefit is achieved for sport in Northern Ireland. A requirement of the 1998 Act is that Sports Council prepares and adopts a strategic plan for the distribution of its share of Lottery income. The Sports Council developed and agreed a Corporate Plan covering the period 2012–2015 and more recently 2015-2020. This outlines how Sports Council will allocate its share of Lottery funding during these periods. The plan also sets out Sports Council's priorities, activities, targets and programmes during the period.

Board Members of Sports Council and Members of its Committees

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

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

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The following new Board Members were appointed from 1 April 2014, for a four year term:

Mr I McAvoy (Vice-Chair)
Ms A Bingham
Mr R Bullick
Mr E Lynch
Mr G Wilson

The following persons served as members during the financial year 2014-15.

Sports Council Board Membership

Mr B Henning (Chair) -
Mr I McAvoy (Vice Chair)
Ms. A Bingham
Mr. R Bullick
Mr. B McAuley – resigned September 2014
Mr. G Campbell
Mr. P Cummings
Mr. J D’Arcy
Mr. B Delaney
Mr. E Lynch
Ms R Mallon
Mr. S McCullough
Mr. D O’Connor
Mr. J O’Neill
Mr. G Wilson

Board Directorships or Other Interests

Note 21 details any interests held by Sports Council Board Members.

Chief Executive

The Chief Executive, Antoinette McKeown, is the Accounting Officer and heads Sports Council and is supported by three executive directors heading each of the departments within the organisation.

During the year, a fourth Director was appointed, on a twelve month fixed term contract, to facilitate a transformation programme, aimed at modernising the Sports Council, and assist with the delivery of the new Corporate Vision, Mission and Objectives.

Further information on the Chief Executive is contained within the Governance Statement.

Audit

External Audit

The Sports Council for Northern Ireland Accounts are required to be audited by the Comptroller and Auditor General. Once completed the National Audit Office is responsible for laying the audited accounts before Parliament.

As Accounting Officer of Sports Council there is, to the best of my knowledge, no relevant audit information of which Sports Council’s auditors are unaware. Given issues relating to corporate memory, 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 Sports Council’s auditors are aware of that information.

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Internal Audit and the Audit and Risk Assurance Committee

Sports Council outsources its internal audit function. During 2014-15, Deloitte were appointed by the Audit and Risk Assurance Committee to carry out the audit plan which it had approved. The internal auditor attended two meetings of the Audit and Risk Assurance Committee during 2014-15.

The members of the Committee were:

Mr G Campbell - Chair

Mr P Cummings - Vice Chair

Ms R Mallon

Mr J D'Arcy

Funding

The Sports Council for Northern Ireland is a primarily funded by Grant in Aid from Department for Communities. The level of funding is agreed with Department for Communities as part of an annual Funding Agreement. Grant in aid funds are accounted for separately in Sports Council for Northern Ireland Exchequer Accounts (referred to as Exchequer).

Lottery Distributor

The Minister for Department for Culture Media and Sport (DCMS) appointed Sports Council as a Lottery distributor since 1994. Lottery funds are accounted for in Sports Council for Northern Ireland Lottery Distribution Accounts.

Equality of Opportunity

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

Employees with a Disability

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

Employee Consultation

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

Sickness Absence Data

The Sports Council had an average of 10.1 days absence per full time equivalent person in 2014-15 (6.9 days: 2013-14). This was due to there being an increase in long-term sickness absence in 2014-15. This is being managed in line with the Absence Management Policy.

Pension Liabilities

Details of the Sports Council pension scheme can be found in the Remuneration Report and note 4 to the financial statements. Details of the liabilities are contained within the Sports Council Exchequer Account.

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Personal Data Related Incidents

There was one incident which breached the Data Protection Act. Sport NI has taken action to limit the consequences of this, introduced a new control and provided further guidance to staff to prevent any recurrence. The breach was reported to the Information Commissioners Office.

Payment Policy

The Sports Council is committed to the prompt payment of bills for goods and services and aims to process bills within 10 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During 2014-15 93% (2013-14: 92%) of invoices were paid within 10 working days and 100% (2013-14: 100%) of invoices were paid within 30 days.

Political and Charitable Donations

The Sports Council made no such donations during the year.

HM Treasury Guidance

Sports Council has complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Future Developments in National Lottery Distribution Activities

Detail on future developments have been included in the governance statement.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021

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Strategic Report

Principal Risks and Uncertainties

The nature of Sports Council activities creates an interdependency between funding sources. While Lottery receipts at this time are less vulnerable than Exchequer budgets they can be subject to fluctuation. The Sports Council carried out a significant review of budgets in 2011-12 for the financial years 2011-2015 based on indicative funding forecasts from the Department of Culture, Arts and Leisure and also developed and agreed a Savings Delivery Plan. A corporate plan was also developed and the cost of key programmes and activities forecasted to ensure that there were adequate funds available over the planning period and to avoid any over commitments in the Lottery Distribution Fund. In addition, during 2013 a zero based budgeting exercise was undertaken to encourage managers to examine and justify expenditure, assess alternatives and reduce the risk of waste and budgetary slack. Sports Council agreed a corporate plan for 2015-2020 which sets out strategic objectives and activities for the period.

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

- Absence of Chief Executive and related expenditure of public funding which resulted in litigation
- Scoping Study by Department for Communities Head of Internal Audit;
- Resignation of Board members
- Interim Executive Leadership Team of Departmental Officials placed in sport NI and its subsequent review reports;
- National Lottery Grants Database.
- Delay in the publication of annual accounts

Financial Results

Sports Council's Lottery Distribution results are set out in the Statement of Comprehensive Income. Total proceeds and investment income received from the National Lottery totalled £10,190,392 (2013-14: £8,673,303). During the year Sports Council made awards of £5,633,400 (2013-14: £14,512,666). A total of £7,164,849 (2013-14: £7,623,646) was paid to grant applicants. The total administrative costs of the Sports Council's Lottery distribution activities, including staff costs but excluding non-cash costs and following a review of the staff time and related costs attributable to National Lottery activities, was £1,232,593 (2013-14: £799,983). This represents approximately 12.1% (2013-14: 9.2%) of the total National Lottery proceeds received in the year.

Review of Activities and Key Performance Indicators (KPIs)

Sports Council has six Strategic Priorities which are measured using 13 KPIs.

Ratings for the 13 KPIs are broken down by Strategic Priority in Table 1 below. In summary, for 2014-15 the table shows that:

- **11 KPIs (85%)** have been achieved (Green); and
- **2 KPIs (15%)** have not been achieved (1 Amber, 1 Red).

Strategic Priority (No of KPIs)	GREEN	AMBER	RED
1. Active People (5)	5	0	0
2. Successful Athletes (2)	2	0	0
3. Quality Facilities (2)	1	0	1
4. Enabled Partners (1)	0	1	0
5. A Competent Sporting Workforce (2)	2	0	0
6. A Trusted and Effective Leader (1)	1	0	0
	11	1	1

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The following case studies provide an overview of the type of projects supported and the benefits which are derived from the investments made from the Sports Council Lottery Distribution Fund during 2014-15:

1. Active People

Active Communities

The Active Communities Programme is a National Lottery funded programme which began in March 2010. The programme's purpose is to provide increased participation in sport and physical recreation, especially among those traditionally under-represented in sport (women/girls, people with a disability and older people). The programme was also intended to address longstanding deficits in the availability of a full and part-time coaching workforce in Northern Ireland, available at the times of unmet demand. Over the course of the past five years to 31 March 2015 the programme has engaged 276,826 individuals across Northern Ireland, with a particular focus on women/girls, people with a disability and older people. Participant data reported by the 11 District Councils indicates that the 102 (FTE) Active Communities Coaches/leaders deployed by the programme have engaged 158,090 females (57%), 36,291 participants with a disability (13%) and 33,766 older participants over 50 years of age (12%).

In 2014-15, the Super 6 Programme was developed by Causeway Coast and Glens District Council, in conjunction with Sport Northern Ireland, to provide children with a disability with an opportunity to participate in a range of sports with their peers to develop movement and sport specific skills, as well as improving their communication and self-esteem. Delivered in partnership with Disability Sport Northern Ireland and the Northern Trust Physiotherapy Department, the July summer camp provided young people with a disability with the opportunity to participate in football, new age kurling, rounders, table tennis, tennis, unihockey, and wheelchair basketball. Following the summer camp, participants were encouraged to continue playing sport and offered opportunities to join local clubs and provided with specialist coaching.

The Super 6 Programme continued to be delivered as part of the Active Communities Programme by Active Communities coaches in the Causeway Coast and Glens District Council area during 2015-16.

Active Awards for Sport

Active Awards for Sport is a National Lottery funded small grants programme primarily aimed at grassroots community based sport. The programme aims to prioritise sports clubs, community groups and governing bodies of sport, especially those based in areas of greatest need, to help them increase participation in sport and physical recreation, especially among those sections of society who have historically been under-represented in sport.

One such project funded through Active Awards for Sport is 'Game on Down' - a competitive inclusive sports initiative to encourage people with disabilities to stay active and get involved in a sport.

Boccia and new age kurling are completely inclusive sports, which offer a fair playing field for all as it can be played by all ages and by people with different abilities. Each week participants with a wide range of disabilities meet in both Downpatrick and Bangor to learn new skills, compete and have fun. They then come together once a quarter to share experiences and compete against each other. Participants have found that the sport offers them a light form of exercise in an environment that is accessible to their needs. This opportunity to meet new friends and compete in a friendly environment has offered them a new found confidence and has had a positive impact on their health and wellbeing.

Participants have had the opportunity to attend some regional competitions including the NI New Age Kurling Championship in the Antrim Forum on the 4 December 2014 and the NI Boccia Championship in Lisburn on the 10 February 2015. One of the competitors Brian McLeigh said: *"I really enjoyed the competition in Antrim, it was great to get playing against so many teams and other people with a range of disabilities; it shows that you really can do and play, no matter your disability - you can use a ramp, guidance if you are blind or deaf - it's truly inclusive."*

2. Successful Athletes

PerformanceFocus

In 2014-15, 37 athletes from 13 organisations supported through the PerformanceFocus investment achieved notable success, winning 48 medals in Commonwealth, European and world level competitions.

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15 athletes competing in bowls, boxing and judo won 12 medals at the Commonwealth Games, with Paddy Barnes and Michael Conlon achieving Northern Ireland's two gold medals in boxing. Northern Ireland's surf kayakers also won 2 gold, 2 silver and 3 bronze medals at European and World championships. In golf, Stephanie Meadow was third in both the US Open and European Masters in her debut year as a professional. Judo player Lisa Kearney won gold in the Oceania Open. Chloe Watson became Under 25 World Indoor Bowls Champion in both singles and mixed pairs.

In disability sport, Jason Smyth and Michael McKillop won 2 golds each in the IPC European Athletics Championships; Johnny Young won silver for Great Britain in the European Canoe Sprint Championships; Niall McVeigh won silver and gold medals in the European para-Badminton Singles and Men's Doubles Championships respectively. Kelly Gallagher won gold in the IPC Europa Cup and James McSorley was part of the Great Britain team that won the European under 23 Wheelchair Basketball Championships.

At underage level, Jordan Mitchell, Patrick Huston and Craig McCreery were part of the Great Britain team that won gold at the World Junior Field Archery Championships.

In sailing, Ryan Seaton, Matt McGovern and James Espey have qualified two boats for Rio 2016. Paddy Barnes and Michael Conlon have also secured Olympic Qualifying places in boxing.

3. Quality Facilities

Boxing Investment Programme

The Boxing Investment Programme began in August 2012 and aims to ensure, through capital investment, that there is adequate equipment and ancillary facilities in up to 70 boxing clubs, as well as increasing participation in the sport and contributing to improved longer term outcomes of social regeneration of deprived communities and improvements in the health and mental well-being of the local community.

Monkstown Amateur Boxing Club received £24,750 from the Boxing Investment Programme towards the refurbishment of the club's facilities and, in partnership with Newtownabbey Borough Council, built a small extension which will facilitate female only fitness and healthy lifestyle classes, as well as providing a training and educational space to deliver the club's many community initiatives. The additional space will allow an increase in the number of young people participating in sport and physical activity, and increase their confidence, their interpersonal skills and self-esteem. Through the new facilities, the club is seeking to increase its membership from 142 members in 2014 to 172 members by 2018.

The Monkstown gym opens its facilities every week to people with mental illnesses, such as schizophrenia, depression, bipolar disorder, and anxiety or personality disorders, as part of a new link-up designed to help them back to emotional wellbeing.

The club is committed to tackling barriers for people who want to get involved in sport and physical activity, and so offers a variety of programmes to mentor young people who are not involved in education, employment or training and/or who are at risk of becoming involved in anti-social behaviour, to empower them to proactively better their own situation.

One of the Quality Facilities Strategic Priorities KPIs is rated as Red. A £17.5m investment into sport facilities was delayed as a result of a reconsideration of the investment strategy by the Board. The business case for this investment was updated and approved by the Sport NI Board in April 2015 and applications for the investment opened in June 2015.

4. Enabled Partners

Governance and Management Audits

The purpose of the Sport NI Governance and Management Audits is to provide an assurance to Sport NI that funded organisations are 'fit for purpose' to receive public money. Sport NI recognises an organisation as being fit for purpose if it is operating constitutionally, is financially viable and, where appropriate, can demonstrate transparent policies and practices.

The core emphasis of the Governance and Management Audit is to assess corporate governance against best practice principles. In addition, the operations of the organisation are assessed under financial management, Human Resources management and compliance with other applicable business areas.

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The initial tranche of the Governance and Management Audits was completed in May 2011. At this stage, 63% of those organisations audited had achieved satisfactory assurance or above. The Governance and Management Audit process has heightened the awareness of governance issues and the need to ensure good governance within a number of Sport NI's funded organisations.

The success of the Governance and Management Audit work, in conjunction with the work of the Performance Governance Team and PerformanceFocus investment, is demonstrated by 97% of funded organisations (32 of 33 organisations audited) achieving satisfactory assurance or above at the end of the 2014-15 year.

The KPI reported against by this area had an Amber rating. The Investment Assurance Team had responsibility for completing Governance and Management Audits during 2014-15. This team was required to complete a number of post-project evaluations for Department for Communities during the year, however they were unable to complete the Governance and Management Audits scheduled for Quarter 4 and to verify whether the one outstanding audited organisation had achieved satisfactory assurance or above.

Safeguarding

During 2014-15, the Sports Council worked in collaboration with NSPCC's Child Protection in Sport Unit to deliver an effective safeguarding advisory service to the sports sector. Key outputs for the year included:

- i. 29 governing bodies of sport supported to attain a 'satisfactory level' of assurance following a safeguarding audit;
- ii. Online safeguarding training resource for the sports sector developed and launched; and
- iii. 350+ safeguarding queries addressed.

5. A Competent Sporting Workforce

PerformanceFocus – Coach Development

Through PerformanceFocus, investment was offered totaling £367,259 (12% of the total 2014-15 PerformanceFocus investment) in 17 governing bodies of sport. 12% of this resource contributed to programme costs and 88% supporting 19 posts (1 specific coaching post, 13 coaching and club posts and 5 coaching and talent posts).

Organisations receiving PerformanceFocus investment are required to complete an annual Self-Evaluation Tool (SET) in order to measure progress from the investment. An evaluation system was developed following best practice. All 17 sports receiving investment moved their SET rating upwards on a trajectory towards "Excellence" from the 2013-14 baseline.

6. A Trusted and Effective Leader

In 2014-2015, the Sports Council invested in and supported its staff to continually improve efficiency, innovation and impact. This included the deployment of its resources and assets as effectively as possible to enable it to maximise its contribution to the development of a quality sporting system in Northern Ireland. This meant concentrating on a range of investments and interventions that supported the organisation to deliver on the six strategic priorities identified within its Corporate Plan 2012-2015.

In 2009 the Executive endorsed Sport Matters: The Northern Ireland Strategy for Sport and Physical Recreation 2009-2019 [hereafter Sport Matters]. During 2014-15, the Department, in collaboration with the Sports Council, completed a Five Year Review to ensure that Sport Matters remains relevant through to 2019. The Review process was inclusive of all key stakeholders, Executive departments, local authorities, sports governing bodies and representative groups from the voluntary and community sectors. The identification of the successes of Sport Matters was encouraging and the recommendations for the period through to 2019 present significant challenges for all stakeholders as they seek to consolidate and build upon the success of the Strategy in future years. The findings of the Review clearly demonstrate the benefits of Sport Matters over the last number of years and its role in helping to unify communities across Northern Ireland, through its promotion of equality, its contribution to tackling poverty and social exclusion and its role within health, education and the economy.

Sustainability/Environmental Matters

The Sports Council is committed to practices and procedures that minimise its impact on the environment and has continued to make good progress in becoming a more sustainable organisation while still focusing on "making sport happen." For example, Sport NI procurement policy seeks to implement Procurement Guidance Note 01/13 in integrating social considerations into contracts where appropriate.

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Sports Council strategy encourages its staff to ensure that:

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

Future Developments in National Lottery Distribution Activities

In 2015-16 the Sports Council continued to offer the full range of programmes which it has operated during the current year. Given the new local government structure in Northern Ireland, Sports Council will engage with and examine new ways of working with the 11 new Councils – for example, through continuation funding for Active Communities in 2015-16 and engagement concerning the development of Sports Council's Every Body Active 2020 policy - a strategic policy intervention which aims to "increase quality opportunities for targeted groups to develop and sustain participation in sport across key life-course transitions."

Significant Changes in Assets & Liabilities

During 2014-15 the National Lottery Distributions Fund balance increased by £1.47 million, from £13.27m at 31 March 2014 to £14.74m at 31 March 2015, as a result of increased proceeds from Lottery with similar drawdown in year. Further details on NLDF can be seen in Note 12.

Sports Council's significant liability relates to grants commitments which decreased by £2.28 million from £15.65m at 31 March 2014 to £13.37m at 31 March 2015. The movement in grant payables can be seen in Note 17.

Financial Instruments

Details of financial instruments can be found in note 1.13 and note 13 to the financial statements.

NLDF Balance Policy

In August 2003 the DCMS issued a Guidance Note (1/03) which proposed that all Lottery Distributors should develop an NLDF policy, and should publish an annual statement in their audited accounts, setting out the basis of the policy and the actions required to manage the NLDF balance. Sports Council's NLDF policy is included within the accounts at note 12(b).



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021

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Remuneration Report

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

Within Sports Council, the Chief Executive is normally employed on terms analogous to Senior Civil Service Grade 5, however, Department for Communities agreed that special salary scales should be applied to this position. All directors are employed analogous to Grade 7. Following the implementation of the agreed new special salary scales for the Chief Executive, the 2014-15 pay remit for the Chief Executive has been approved by the Remuneration Committee and submitted to the Department for approval.

As part of the annual pay award, all staff with acceptable performance received a base pay uplift. There is also a 'Special Bonus Scheme' in place which rewards exceptional performers with a non-consolidated bonus. The non-consolidated bonuses are payable to a proportion of staff as part of the annual pay award. No bonus payments for performance were made during 2014-15.

Since the amalgamation of the Sports Institute, Sports Council has been collating an additional pay remit for former Sports Institute staff. It is anticipated that the pay remits will be combined in future years, once pay remits are no longer backlogged. Pay remits for 2014-15 for all staff have been approved by the Department.

Remuneration Committee was set up on 24 June 2013 and Terms of Reference were agreed at its first meeting on 6 August 2013. The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. Membership was made up of the following Board Members:

Remuneration Committee
Mr. B Henning (Chair)
Mr. J D'Arcy (Vice Chair)
Mr. G Campbell
Mr. D O'Connor

Due to the absence of the Chief Executive in March 2015, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore the committee did not meet in 2014-15 and the Chief Executive was not appraised. Senior Civil Servants who occupied the position on an interim basis were appraised by the Departmental line manager.

All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy. The Chief Executive assesses all Directors' performance.

Service Contracts

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

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

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Audited Remuneration and Pension Entitlements – Senior Staff

The following section provides detail of the remuneration and pension interests of the Chief Executive and Directors of Sports Council.

<i>Employee</i>	2014-15					2013-14				
	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)*	Total £'000
Antoinette McKeown Chief Executive***	80-85	-	200	22	105-110	45-50 (80-85 full year equivalent)	-	100	13	60-65
Nick Harkness Director of Participation (from 2 September 2013)	65-70	-	200	(28)	35-40	35-40 (65-70 full year equivalent)	-	200	47	125-130
Acting Chief Executive (until 1 September 2013)						40-45 (80-85 full year equivalent)				
Shaun Ogle Director of Performance	65-70	-	200	12	75-80	65-70	-	200	12	75-80
Andrew Sloan Director of Sport Management Services **	65-70	-	200	14	80-85	65-70	-	200	14	75-80
John News Acting Director of Participation (until 31 August 2013)	-	-	-	-	-	20-25 (55-60 full year equivalent)	-	200	11	60-65
Emma Bohill Transformation Facilitator (from 1 October 2014)	20-25 (45-50 full year equivalent)	-	-	12	35-40	-	-	-	-	-
Salary Range	4 - 85					4 - 85				
Band of Highest Paid Director's Total Remuneration	80 - 85					80 - 85				
Median Total Remuneration	28,167					29,640				
Ratio	2.93					2.8				

Salary costs include salary arrears from previous financial years.

*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 includes increases due to inflation or any increase or decreases due to a transfer of pension rights.

** The Director of Sport Management Services fulfilled the role of Accounting Officer from 13 March 2015 to 14 July 2015.

***The Chief Executive returned to work in July 2017. Please refer to the Governance Statement for further details.

Median Remuneration

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

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

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

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

The ratio is calculated as follows:

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

Sports Council Members' Emoluments

The Chair received honorarium totaling £10,000 (2013-14: £10,000). The Chair's honorarium is partially recharged to the Lottery Distribution Account £4,200 (2013-14: £4,200). The Vice-Chair received £3,500.

No emoluments were paid to other Sports Council members in respect of Lottery activities. Sports Council does not pay any pension contributions on behalf of the Chair or Vice-Chair.

Salary

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

Benefits in kind

There is currently a PAYE Settlement Agreement in place which covers the payment of tax and NIC in respect of all luncheon vouchers paid to staff.

Bonuses (Audited Information)

No bonus payments for performance were made in 2014-15.

Core Exit Packages (Audited Information)

Sports Council processed no exit packages.

Sports Council Pensions

Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 140 employees, of which, 7 were employed for part of the year. All assets, liabilities and operating costs relating to the pension scheme are processed through the Sports Council Exchequer Accounts. A recharge is made to the Sports Council Lottery Distribution Accounts for any pension costs incurred on its behalf. During the year 16 staff were recharged to Lottery.

The pension scheme is administered by NILGOSC. The benefits paid under the Scheme are based on length of membership and salary. NILGOSC maintain a fund to provide for the payment of current and prospective

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benefits to members of the Scheme. In order to ensure that this objective is achieved, the Committee must determine a suitable investment strategy, which provides both a high return on investments and an acceptable level of risk.

Employee contribution rates are based on pensionable pay. For 2014-15 the rates were as follows:

Band	Range	Contribution Rate
1	£0 - £14,000	5.5%
2	£14,001 - £16,500	5.8%
3	£16,501 - £21,300	5.9%
4	£21,301 - £35,600	6.5%
5	£35,601 - £47,700	6.8%
6	£47,701 - £89,400	7.2%
7	>£89,400	7.5%

The employer contribution rate for 2014-15 was 20%.

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

Further details about the NILGOSC pension scheme can be found at the website www.nilgosc.org.uk and note 4 to the accounts.

Audited Information

Employee	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/15	CETV at 31/3/14	Real increase in CETV
	£'000s	£'000s	£'000s	£'000s	£'000s
Antoinette McKeown Chief Executive	0-5 plus Nil lump sum	0-2.5 plus Nil lump sum	26	9	16
Nick Harkness Director of Participation	25-30 plus 60-65 lump sum	(2.5-5) plus (2.5-5) lump sum	461	464	-8
Shaun Ogle Director of Performance	25-30 plus 55-60 lump sum	0-2.5 plus (0-2.5) lump sum	481	451	25
Andrew Sloan Director of Sports Management Services	15-20 plus 25-30 lump sum	0-2.5 plus (0-2.5) lump sum	234	214	17
Emma Bohill Transformation Facilitator (from 1 October 2014)	0-5 plus Nil lump sum	0-5plus Nil lump sum	8	2	3
John News Acting Director Participation (ended 30 August 2013)	-	--	-	167	-

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Cash Equivalent Transfer Values

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

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

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

The Sports Council for Northern Ireland is required to prepare a statement of accounts for each financial year in the form directed by the Secretary of State for Digital, Culture, Media and Sport with the consent of the Department for Communities in Northern Ireland and with the approval of HM Treasury in accordance with section 35 (2)-(3) of the National Lottery etc. Act 1993

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sports Council's Lottery distribution activities at the year-end and of its income and expenditure, changes in 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 Department for Communities on behalf of the Secretary of State for the Department for Digital, Culture, Media and Sport (formerly Department for Culture, Media and Sport), including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for Department for Communities (formerly Department for Culture Arts and Leisure) has designated the Chief Executive of Sports Council as the Accounting Officer for Sports Council. The responsibilities of Accounting Officer, including the responsibility for the propriety and regularity of the finances for which the Accounting Officer is answerable and for the keeping of proper records, are set out in 'Managing Public Money Northern Ireland' issued by Department of Finance (formerly the Department of Finance and Personnel), and in the Financial Directions issued by the Department for Communities on behalf of the Secretary of State for Digital, Culture, Media and Sport under s26(3) of the National Lottery etc. Act 1993.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021

Annual Governance Statement

Purpose of the Governance Statement

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

Scope of Responsibility

As Accounting Officer of Sports Council, I am personally responsible for safeguarding the public funds for which I have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Sports Council.

As Accounting Officer, I exercise the following responsibilities:

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

The Purpose of the Governance Framework

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

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The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Sports Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

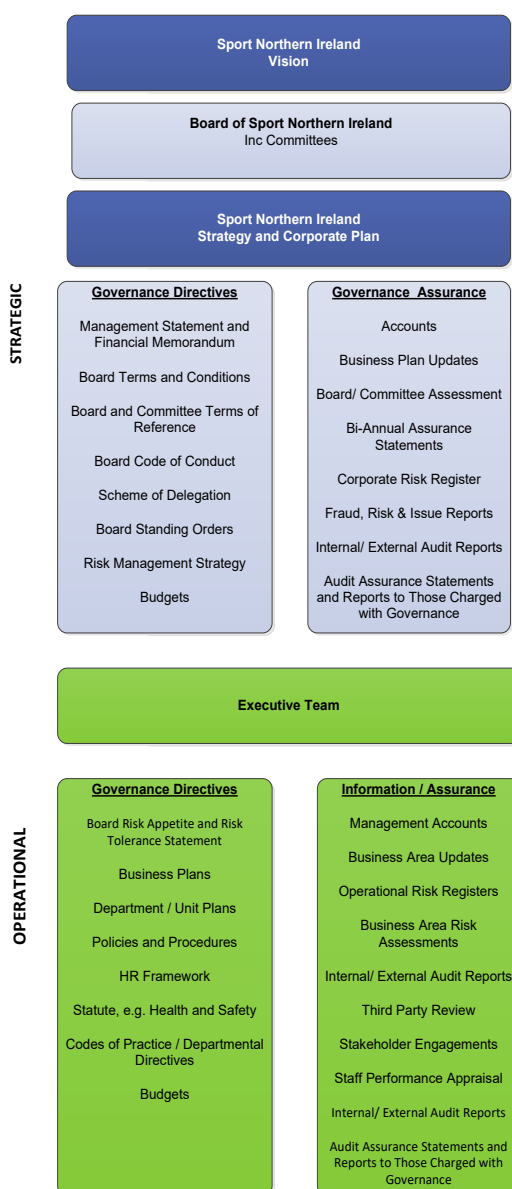
The governance framework outlined below was put in place for the year ended 31 March 2015 and will remain so until the date of approval of the annual report and accounts.

Sports Council's Governance Framework

As an Arm's Length Body of the Department for Communities, Sports Council is publicly accountable to Department for Communities and its Minister for its performance and the use of its resources. With regards to Lottery funds, Sports Council also fulfils its stewardship responsibilities to the Department of Culture, Media and Sports.

The Sports Council's Governance Framework is predicated on the provisions laid out within 'Corporate Governance in Central Government Departments 2013' as detailed below in figure 1.

Fig 1 The Sports Council's Governance Framework



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The key elements of the systems and processes that comprise the Sports Council for Northern Ireland's governance arrangements are:

1. Sports Council's Vision, Purpose and Intended Outcomes

In delivering on its strategic objectives, the Sports Council produces a five-year corporate plan and an annual business plan.

The corporate plan is a forward looking document linking the operational activities of the Sports Council to its strategy.

During 2014-15, Sport Council delivered the final year of its Corporate Plan 2012-2015. This plan focused on providing leadership and supporting partners, investing National Lottery and Exchequer funding where it is needed and ensuring the implementation of Sport Matters: The Northern Ireland Strategy for Sport and Physical Recreation, 2009-2019. Sports Council drafted a new Corporate Plan for the period 2015-2020. This Plan has been developed based on evidence from international SPLISS benchmarking study¹ and also feedback received from a range of stakeholders/partners. Driving this plan is our vision which is "Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport".

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

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

2. Board

In 2014-15 Sports Council was headed by a Board of 15 Members. Five of these were newly appointed during 2014-15.

The Board is the ultimate place for decision-making on new policy, strategy, governance, budgets and performance. Our arrangements are all covered by a Scheme of Delegation, Terms of Reference and Board Standing Orders.

The principal role of the Board is the stewardship of all public resources entrusted to the Sports Council Northern Ireland to aid the realisation of the policies and priorities of the Minister for Communities, the Minister for DCMS (National Lottery) and the Northern Ireland Executive.

Sports Council's Board met on 8 occasions during 2014-15 to discuss and consult on key strategic matters. These included strategic planning, budgeting, stewardship reporting, risk management and governance, advising on and overseeing on key policies such as Governing Body recognition and performance review.

During the year, the Board also oversaw the development of a new Corporate Plan for 2015-2020 wherein it outlines the vision of the Board as 'Northern Ireland; renowned as a place where people enjoy, engage and excel in sport.' This vision is supported by 3 core strategic objectives which focus on increasing and supporting people in adopting sporting lifestyles, enhancing sporting structures and the sporting environment and aiding success by athletes at the highest level.

¹ The Sport Policy Factors Leading to International Sporting Success (SPLISS) study allowed for an assessment of the sports development system in Northern Ireland against the SPLISS Model. The study found that Northern Ireland's sport development system is in its infancy and considerable investment is necessary to bring our system up to a standard comparable with other countries.

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An overview of Board attendance over the year is provided below:

Members	Apr-14	Jun-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15
B Henning (Chair)	✓	✓	✓	✓	✓	✓	✓	A
I McAvoy	✓	✓	✓	✓	✓	✓	✓	A
A Bingham	✓	✓	✓	A	✓	✓	A	✓
R Bullick	✓	✓	✓	✓	✓	✓	✓	✓
G Campbell	A	✓	✓	A	A	✓	✓	✓
P Cummings	✓	✓	✓	A	A	✓	✓	✓
J D'Arcy	✓	✓	✓	A	A	A	✓	A
B Delaney	✓	✓	✓	✓	✓	✓	A	✓
E Lynch	✓	✓	✓	✓	✓	A	✓	✓
R Mallon	✓	✓	✓	✓	✓	✓	✓	✓
B McAuley*	✓	✓	✓					
S McCullough	✓	A	✓	A	✓	✓	✓	✓
D O'Connor	A	✓	✓	✓	✓	✓	✓	✓
J O'Neill	✓	A	✓	A	✓	✓	✓	A
G Wilson	A	✓	✓	A	✓	✓	✓	✓

Key: A – absent; ✓ - present; * Resigned from the Board on September 2014

Board Resignations - refer to section 4 “Risk Management”.

Board Skills

Department for Communities makes all appointments to the Board of Sports Council. An evaluation of Board skills was undertaken in November 2015 by the Governance Manager, supported by the Chair for the period 2014-15. The purpose of this review was to understand and formally document the skills and experience of the current Board enabling Sports Council to assess future training and development needs and also to assist the Chair in articulating requirements in the event of future public appointments. The review demonstrated a rich mix of skills and experience across the five Board members. The review acknowledged that Board effectiveness could be enhanced via supplementation with members with particular skills and experience in financial management, accountancy and Information Systems. The Board of Sports Council was also underrepresented by females. However, a review of board skills and leadership undertaken at the same time by the Interim Executive Leadership Team did not concur with the findings of the above review and raised concerns in respect of Board skills and knowledge, leadership and objectivity..

A new appointments process has since resulted in five new appointees, including three female appointees, to the Board of Sports Council which helped to address skills and experience gaps.

Supporting the review of Members’ skills and competencies is the self-evaluation which the Chair of the Board undertakes each year. This evaluation uses the National Audit Office checklist and seeks to benchmark performance against current best practice and to identify opportunities for improvement.

The Board assessment was undertaken by the Chair of Sports Council in March 2015. The Chair reported that with the exception of articulating its appetite for risk, an area where work had already commenced, that the Board of Sports Council meets all required standards. Subsequent to this review, in 2015-16 reporting period, a range of reports written by the Interim Executive Leadership Team, appointed by Department for Communities, found a range of concerns in respect of the Board. These related to leadership, skills, knowledge and understanding of public sector accounting, decision-making on human resources and the Nolan principles for public life.

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The oversight provided by the Board is predicated on the receipt of timely and accurate forecasts and monitoring information. The effectiveness review undertaken by the Board in 2015 acknowledged that executive reports to the Board are appropriately detailed enabling informed decisions making.

Supporting the Board are both the Audit and Risk Management Committee and Remuneration Committee.

Audit and Risk Management Committee

The Audit and Risk Management Committee (formerly the Audit Committee) support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report. Throughout the 2014-15 year the Committee consisted of four members who were appointed by the Chair of the Board. The Committee met four times during the year.

Member	April 2014	May 2014	October 2014	February 2015
G Campbell (Chair)	A	A	✓	✓
P Cummings	✓	✓	✓	A
J D'Arcy	A	✓	A	✓
R Mallon	✓	✓	A	✓

Key: A – absent; ✓ - present;

The work of the Audit and Risk Management Committee during 2014-15 was informed through review and consideration of a range of assurances on governance, risk and control which included:

- comprehensive updates from internal audit;
- review of key risks and associated mitigation measures
- Chief Executive's assurance statements;
- fraud and irregularity updates;
- updates on new guidance and directives issued by the Department of Finance and Personnel and their application;
- direct award approvals; and
- gifts and hospitality approvals.

In discharging its responsibilities to the Board, the Committee:

- considered business performance data and advised the Board accordingly;
- considered Lottery Accounts and Exchequer Accounts and supported the Board with its stewardship responsibilities;
- considered the planning and timetable for accounts including NIAO Audit strategies and advised the Board;
- considered the financial position of Sports Council Northern Ireland including the National Lottery Distribution Fund and advised the Board; and
- considered and informed the Annual Governance Statement and advised the Board accordingly

Due to the outstanding accounts, assurances were not available from the Northern Ireland Audit Office. See Business Planning, Risk Management and Assurance below.

The Committee Chair undertook an effectiveness review on 1 March 2015. The purpose of this review was to assess the effectiveness of Sports Council's Audit and Risk Management Committee against the National Audit Office assessment checklist. The self-assessment checklist was designed by the National Audit Office to assist Audit Committees in central government to evaluate how well they apply good practice. The criteria is derived largely from the Audit Committee Handbook published by HM Treasury.

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The review found that the Committee was operating in accordance with best practice although it did highlight the opportunity to better formalise appointments to the Audit and Risk Management Committee; this has been addressed during 2015-16. An external review of Sports Council's Audit and Risk Management Committee was undertaken in 2017-18. The review team concluded that Sport Council's Internal Audit Service 'Generally Conforms' with the requirements of the Public Sector Internal Audit Standards and Code of Ethics.

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

In August 2015, post the Board resignations and to reflect the evolving nature of its work, the newly-constituted committee became known as the Audit and Risk Assurance Committee.

Remuneration Committee

The Remuneration Committee is appointed by the Chair of the Board and consists of four members. It supports the Board providing assurances on the appraisal of the Chief Executive.

Due to the absence of the Chief Executive in March 2015, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore the committee did not meet in 2014-15 and the Chief Executive was not appraised. Senior Civil Servants who occupied the position on an interim basis were appraised by the Departmental line manager.

3. Audit

Internal Audit

The role of internal audit is to provide independent, objective assurance and consulting services designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The internal audit function was outsourced to Deloitte during 2014-15.

External Audit

The National Audit Office (NAO) is the appointed external auditor of the financial statements of Sports Council Lottery Distribution. Their work functions to evaluate the 'true and fair' representation of Sports Council's financial position, regularity and compliance with governing accounting policies. The Northern Ireland Audit Office (NIAO) complete the audit on behalf on NAO.

There has been a delay in the publication of Sports Council's financial statements which has meant that NIAO has been unable to complete its audit until 2021. The delay has applied to the 2014-15; 2015-16; 2016-17; 2017-18; and 2018-19 financial statements. The expected timetable for these financial statements was the end of 2015, 2016, 2017, 2018 and 2019 respectively.

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

- Governance issues within Sports Council from March 2015 to July 2017 (Northern Ireland Audit Office published a report on these matters in March 2020);
- A lack of expertise, in Sports Council at various times over the period, on the preparation of financial statements to recognised public sector standards;
- Difficulty in retaining corporate knowledge and memory on issues with regards the 2014-15 financial statements in particular; and,
- Northern Ireland Audit Office giving priority to other audits as Sports Council failed to meet the audit timetable.

4. **Risk Management** Governance Issues

Absence of Chief Executive

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

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

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

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

Review undertaken by Departmental Chief Internal Auditor

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

Interim Executive Leadership Team Report and Transformation Programme

In June 2015 an Interim Executive Leadership Team (IELT) led by a senior civil servant from the Department for Communities was set up to address recommendations made by the Head of Internal Audit. The IELT produced 11 review reports and a composite report which set out a range of governance issues within Sports Council relating to organisational culture; HR capability, policies and recruitment practices; performance management; leadership and management; and, Board operating framework, conduct and induction.

Following completion of its work, 116 detailed recommendations were made which were carried forward under a Transformation Programme.

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

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

Board Resignations

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

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

The Minister for Communities (formerly Minister for Culture Arts and Leisure) appointed Brian Delaney and Catherine O'Mullan to the position of Interim Chair and Interim-Vice Chair respectively. They remained in post until the new Chair and Vice Chair were appointed on 1 February 2017. George Lucas and Jay Colville currently hold these positions respectively.

Delay in the Publication of the Annual Report and Accounts

The publication of Sports Council's financial statements has been delayed by a lack of expertise on accounts preparation to recognised public sector standards. As a result the 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 financial statements are in a position of backlog. Sports Council will undertake a review of the reasons why this backlog has occurred to ensure that for future financial statements it has the appropriate expertise to deliver financial statements which are both high quality and timely.

The Northern Ireland Audit Office (NIAO) published a report outlining governance issues within Sports Council in 2020. The Chief Executive and Executive Team, with oversight from the Board, will lead on addressing any issues arising from this report.

Risk Appetite

A key constituent of effective risk management is the understanding and articulation by the Board of its risk appetite. During 2014-15, the Board did not set a risk appetite however progressed this in the subsequent 2015/16 year.

The core risks for Sports Council in 2014-15 were around the requisite funding to deliver on strategic objectives, the integration of the Sports Institute Northern Ireland, delivery of capital projects, fraud and information governance. However towards the end of the reporting period decisions taken by the Board created significant strategic risk to the organisation and dominated over subsequent years

During 2015-16 and future years, risks materialising as set out above, will dominate in terms of strategic risk to Sport Council.

Managing Risk

One of the Board's key accountabilities is to provide leadership of the organisation within a framework of prudent and effective controls which enable risk to be assessed and managed. Effective risk management is critical to the achievement of our strategic objectives. The Board has overall accountability for ensuring that risk is effectively managed across the organisation and, on behalf of the Board, the Audit and Risk Management Committee reviews the effectiveness of the organisation's risk management framework.

The Board, through the Audit and Risk Management Committee, conducted a review of the effectiveness of the systems of risk management and internal control within Sports Council. This was undertaken by Deloitte as part of the internal audit plan and a satisfactory opinion provided the Board with assurance that an adequate and effective system of governance, risk management and control exists. However subsequent reviews undertaken in 2015-16 found significant issues in respect of poor governance, risk management and lack of internal checks and balances in respect of decision-making on critical issues.

National Lottery Grants Database

The National Lottery Grants Database was not being updated in a timely manner with grants information from the Sports Council. This has now been corrected and arrangements put in place to ensure regular updating of data.

Alleged/Suspected Fraud

During the course of 2014-15, one case of alleged/suspected fraud was notified to the Sports Council Northern Ireland in relation to Lottery-funded projects. This was dealt with under the Fraud Response

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Plan, investigated and no evidence was found to substantiate the allegation.

5. Measuring Service Quality

Sports Council strives to provide a service which improves participation and sporting performance in a value for money manner. To this end Sports Council monitors business areas and associated performance indicators ensuring opportunities are fully exploited and strategic objectives met. This necessitates the establishment of corporate and operational Key Performance Indicators, baseline performance data, budgeting, resource allocation and the alignment of strategic objectives with relevant Sport Matters and Public Service Agreement Targets.

6. Management Statement and Financial Memorandum

The business operations of Sports Council are governed by a Management Statement and Financial Memorandum.

The Management Statement and Financial Memorandum defines the relationship between Department for Communities and Sports Council, and articulates the financial and administrative framework within which Sports Council operates. This document was revised by Department for Communities in May 2014 and again in September 2016.

7. Delegated Decisions

Sports Council's Scheme of Delegation has been developed with oversight from Department for Communities. It covers financial and non-financial responsibilities and provides direction as to where decisions can be taken by Sports Council's Chief Executive and where the Board should retain decision-making control.

8. Policies and Procedures

Sports Council has a suite of policies and procedures in place which govern all operational activities within the organisation. These were subject to review during 2014-15 and subsequent years to comply with best practice.

9. Organisational Structure

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

10. Financial Resources

The financial needs associated with the delivery of Sports Council's strategic objectives are based on detailed forecasting and investment evaluation and planning. Financial requirements are translated into detailed financial budgets and performance is regularly assessed and evaluated through the preparation of management accounts, which are reported to the Board bi-monthly.

Sports Council has financial controls and systems in place. These comprise of skilled staff, policies and procedures, governing directives, in particular 'Managing Public Money Northern Ireland', duty segregation, management oversight, reconciliations and independent audit. These controls are effective, however the absence of a highly experienced member of the finance team during the period coupled with the amalgamation of the the Sports Institute Northern Ireland diluted the quality of these controls which subsequently delayed the completion of the accounts for 2014-15 and subsequent years.

11. Value for Money

Sports Council applies value for money principles in its practices. This is carried out at the top level via the investment policy that intentionally covers value for money within the production of business cases for funding. Sports Council also includes value for money during tendering exercises for the procurement of goods/services. Department for Communities has a service level agreement in place with Central Procurement Division, regarding the use of their services during procurement / construction exercises. Sports Council falls within the remit of this service level agreement and has implemented it. In addition, Sports Council applies the government policy of achieving excellence in construction.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Sports Council recognises that during the 2014-15 year and subsequent years, it incurred significant expenditure which could not be deemed to reflect good value for public money. The Northern Ireland Audit Office published a report on this matter in March 2020.

Sports Council's Assurance Framework

1. Quality of Data

The Board receive information in a timely fashion. A review by CIPFA in 2015 found that executive update reports to the Board are impressively detailed, enabling informed decision making by the Board. The associated report has been approved by the Board who concur with the findings. Further to this review, the Board will in future be seeking more focussed reporting on key projects as part of its assurance requirements

The Board have also undertaken an assurance mapping exercise which they will employ through the Executive Team to plan and co-ordinate the various sources of assurance available to it to best affect.

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

2. Audit

Although only appointed in November 2014, Sports Council's Internal Auditor was able to conduct a full annual programme of review by the 31 March 2015. In doing so they determined two areas providing limited assurance; procurement and the use of the Government Funding Database, these were not considered significant enough to affect the overall evaluation and as a result Internal Audit provided an overall satisfactory assurance.

In addition to its opinion of the financial statements, the Northern Ireland Audit Office issued its final 'Report to Those Charged with Governance' for 2013/14 in October 2014. Within this report there are a total of 5 recommendations of which two are considered priority one areas. The priority areas identified relate to procurement.

Sport Council's internal auditor also highlighted weaknesses in aspects of procurement. These pertained to historic awards which formed part of the work and subsequent conclusions of the aforementioned Northern Ireland Audit Office report. Testing by internal audit on the application of current procurement controls provided assurances that requisite enhancements had been made and were operating appropriately.

Emerging Issues

Ongoing budget cuts

Sports Council recognises that we are providing public services in an era of austerity, where public funding is decreasing and every penny counts in terms of making a strategic impact. Managing to deliver with less money and resources means that ensuring value for money is critical

Addressing Bureaucracy

Sports Council takes seriously its stewardship responsibilities but recognises that controls carry a cost and disproportionate controls have the potential to adversely influence outcomes.

To this end, how Sports Council administers its finances has been reviewed and revisions made that will seek to strike the right balance between output and deliverables, whilst ensuring that the requirements of Managing Public Money NI are fulfilled. This approach to grant administration is consistent with current thinking and proposals offered by the NI Executive as published within its report 'Addressing Bureaucracy' and the 2014 Concordant between the Voluntary and community Sector and the NI Government.

Managing Risk:

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

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

The Year Ahead

Over the coming year, Sports Council Northern Ireland Executive Team will take steps to address the above matters to further enhance governance arrangements, continually improve how we manage risk and build on our achievements to date. These steps will address the need for improvements that were identified in the review of effectiveness and their implementation and operation will be monitored as part of the next annual review.

Conclusion

Given the issues noted in section 3 under 'Governance Matters' from 2014-15 onwards, this statement has been signed by both the Accounting Officer and the Chair of Sports Council Northern Ireland Board.



Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021



George Lucas
Chair
Sports Council for Northern Ireland

Date: 06 October 2021

**The Certificate of the Comptroller and Auditor General
to the Houses of Parliament**

I certify that I have audited the financial statements of the Sports Council of Northern Ireland Lottery Distribution Account for the year ended 31 March 2015 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and auditor

As explained more fully in the Statement of Council's and Accounting Officer's Responsibilities, the Sports Council for Northern Ireland and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) as applicable for financial statements for the year ending 31 March 2015. Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors. During the course of my audit, the Financial Reporting Council's Revised Ethical Standard 2016 and revised Ethical Standard 2019 became effective. I have elected to apply the Financial Reporting Council's Ethical Standards as relevant to listed entities.

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Sport Council for Northern Ireland Lottery Distribution Account's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder with the approval of HM Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Directors' Report, Strategic Report and Remuneration Report sections of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; 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 HM Treasury's guidance.

Gareth Davies

19 October 2021

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

The Report of the Comptroller and Auditor General to the Houses of Parliament

Introduction

The Sports Council for Northern Ireland (SCNI) is a statutory body through which public funding for sport in Northern Ireland is distributed. It was established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973.

The National Lottery etc. Act 1993 (as amended) established the National Lottery and established six good causes including sport. The Sports Council for Northern Ireland is charged under the Act with responsibility for distributing 2.6% of the money allocated to sport. This Act requires SCNI to produce a set of lottery distribution accounts, for which the C&AG is the statutory auditor. The C&AG, under a Memorandum of Understanding, contracts the audit to the Northern Ireland Audit Office (NIAO).

Delays in certifying the account

It is very unusual for there to be such a delay in certifying a set of accounts. The delay is attributable to several factors including:

- Governance issues in SCNI between March 2015 and July 2017. Further details of these governance issues can be found in the report “Governance issues in Sport Northern Ireland” published by the Northern Ireland Audit Office; and
- A lack of expertise and corporate knowledge within SCNI regarding the preparation of financial statements to recognised public sector accounting standards.

Future Years’ Audits

It is our expectation that now this account has been certified, we will be in a position to finalise the audits for the other outstanding SCNI accounts (2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21).

The SCNI have undertaken a review of the reasons why this delay occurred to ensure that for future lottery distribution account financial statements it has the appropriate expertise to prepare financial statements which are both high quality and delivered on a timely basis. I will report in future lottery distribution accounts as to the progress SCNI has made.

Gareth Davies

19 October 2021

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Statement of Comprehensive Net Income for the year ended 31 March 2015

	Note	2014-15 £	2013-14 Restated £
Expenditure			
Staff costs	4	743,126	477,560
Depreciation and amortisation	10&11	7,621	8,344
Other Expenditure	5	489,467	322,423
New grants made in year	17	5,633,400	14,512,666
Grants de-committed in year	17	(753,132)	(187,600)
Total Expenditure		6,120,482	15,133,393
Income			
Income from Activities	6	10,190,392	8,673,303
Other Income	7	60,500	6,236
Total Income		10,250,892	8,679,539
Net Income/(Expenditure)		4,130,410	(6,453,854)
Interest Receivable	8	90	539
Net Income/(Expenditure) After Interest		4,130,500	(6,453,315)
Taxation	9	(18)	(108)
Net Income/(Expenditure) After Tax		4,130,482	(6,453,423)
Other Comprehensive Net Income/(Expenditure)			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of Property, Plant and Equipment	19	82	(1,252)
Net gain/(loss) on revaluation of Intangible Assets	19	33	(556)
Total Comprehensive Net Income/(Expenditure) for the year ended 31 March 2015		4,130,597	(6,455,231)

All activities were continuing in the year.

The notes on pages 35 to 49 form part of these accounts.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Statement of Financial Position as at 31 March 2015

	Note	2014-15 £	2013-14 Restated £	2012-13 Restated £
Non-current assets				
Property, plant and equipment	10	2,954	7,850	14,828
Intangible assets	11	807	3,417	6,591
Total non-current assets		3,761	11,267	21,419
Current assets				
Trade and other receivables	14	11,486	13,332	13,955
Investments classified as held for sale	12	14,736,082	13,270,205	12,790,929
Cash and cash equivalents	15	648,774	75,169	260,238
Total current assets		15,396,342	13,358,706	13,065,122
Total Assets		15,400,103	13,369,973	13,086,541
Current liabilities				
Trade and other payables	16a	(400,871)	(216,757)	(179,514)
Grants Payable	17	(10,179,236)	(9,420,234)	(8,684,359)
Total current liabilities		(10,580,107)	(9,636,991)	(8,863,873)
Non-current assets plus net current assets		4,819,996	3,732,982	4,222,668
Non-current Liabilities				
Grants Payable	17	(3,186,500)	(6,230,083)	(264,538)
Total non-current liabilities		(3,186,500)	(6,230,083)	(264,538)
Assets less liabilities		1,633,496	(2,497,101)	3,958,130
Equity				
General Reserve		1,519,350	(2,612,413)	3,839,710
Revaluation Reserve	19	114,146	115,312	118,420
Total equity		1,633,496	(2,497,101)	3,958,130

The notes on pages 35 to 49 form part of these accounts.

Antoinette McKeown
Accounting Officer
Sports Council for Northern Ireland

Date: 06 October 2021

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Statement of Cash Flows for the year ended 31 March 2015

	Note	2014-15	2013-14
		£	Restated
			£
Cash flows from operating activities			
Net Income/(Expenditure)		4,130,410	(6,453,854)
Funds received into National Lottery Distribution Fund	6	(10,190,392)	(8,673,303)
Depreciation and Amortisation	10&11	7,621	8,344
Decrease/(Increase) in trade and other receivables	14	1,846	623
(Decrease)/Increase in trade and other payables	16	(2,100,467)	6,738,663
Tax paid	9	(18)	(108)
Net cash outflow from operating activities		<u>(8,151,000)</u>	<u>(8,379,635)</u>
Cash flows from investing activities			
Interest Received		<u>90</u>	<u>539</u>
Net cash Inflow from investing activities		<u>90</u>	<u>539</u>
Cash flows from financing activities			
Draw down from National Lottery Distribution Fund	12a	<u>8,724,515</u>	<u>8,194,027</u>
Net cash inflow from financing activities		<u>8,724,515</u>	<u>8,194,027</u>
Net increase/(decrease) in cash and cash equivalents in the period	15	573,605	(185,069)
Cash and cash equivalents at the beginning of the period	15	<u>75,169</u>	<u>260,238</u>
Cash and cash equivalents at the end of the period	15	<u>648,774</u>	<u>75,169</u>

The notes on pages 35 to 49 form part of these accounts.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Statement of Changes in Equity for the year ended 31 March 2015

	Note	General Fund Restated £	Revaluation Reserve £	Total Reserves £
Balance at 31 March 2013		5,186,305	118,420	5,304,725
Changes in accounting policy		(1,346,595)	-	(1,346,595)
Restated balance at 1 April 2013		3,839,710	118,420	3,958,130
Net gain on revaluation of property, plant and equipment		-	(1,252)	(1,252)
Net gain on revaluation of intangible assets		-	(556)	(556)
Comprehensive expenditure for the year		(6,453,423)	-	(6,453,423)
Transfers between reserves		1,300	(1,300)	-
Balance at 31 March 2014		(2,612,413)	115,312	(2,497,101)
Net loss on revaluation of property, plant and equipment		-	82	82
Net loss on revaluation of intangible assets		-	33	33
Comprehensive income for the year		4,130,482	-	4,130,482
Transfers between reserves	19	1,281	(1,281)	-
Balance at 31 March 2015		1,519,350	114,146	1,633,496

The notes on pages 35 to 49 form part of these accounts.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2014-15 Financial Reporting Manual (FReM) issued by HM Treasury.

1.1 Accounting Convention

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

1.2 Property Plant & Equipment and Intangible Assets

Non-current assets up to 31 March 2009 were capitalised in the Lottery Distribution Accounts at the end of each financial year, on the basis of assets acquired/utilised specifically for Lottery activities (see 1.9). Sports Council applied a capitalisation limit of £1,000 to individual items. Items below the £1,000 threshold were charged directly to the Net Statement of Comprehensive Income.

From 1 April 2009 the non-current asset usage was incorporated within a desk charge, which is recharged from Exchequer to Lottery at the end of each financial year.

1.3 Depreciation and Amortisation

Depreciation/amortisation has been provided using the straight line method so as to write off each asset over its estimated useful life. Depreciation/amortisation is charged from the month acquired/coming into use, to the month in which it is disposed.

Assets are depreciated over their useful lives as follows: -

Information Technology (Hardware)	4-9 Years
Intangible Assets	2-9 Years

1.4 Revaluation of Assets

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

1.5 Impairment of Assets

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

1.6 Pension Costs

The pension cost is recharged from the Sports Council for Northern Ireland Exchequer Accounts, and is charged to the Statement of Comprehensive Net Income.

1.7 Financial Assets - Investments

Balances held in the NLDF remain under the stewardship of the Secretary of State for the Department for Digital, Culture, Media and Sport (formerly Department for Culture, Media and Sport). However, the share of these balances attributable to Sports Council is as shown in the accounts and, at the year end, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by it in respect of current and future commitments.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

1.8 Income

All income received, whether Lottery proceeds, grant recovered or other income, is credited to income in the year to which it is receivable.

1.9 Allocation of costs

The apportionment of staffing and indirect costs transferred from the Sports Council for Northern Ireland Exchequer Account to Sports Council Lottery Distribution Account is based on a Service Level Agreement. This is reviewed annually to ensure recharges are appropriate and reflect the time which staff spend on Lottery activities and the proportion of indirect costs which relate to Lottery activities.

1.10 Grant Commitments

A grant commitment is deemed to be a commitment once the Letter of Offer has been sent to the grant applicant. The commitment will remain as such provided the grant recipient continues to meet the conditions of the award. Commitments are disclosed in Note 17 to the accounts as Grants Payable and recognised as expenditure in the Statement of Comprehensive Net Income. This is a change in accounting policy. The impact of this change has been detailed in note 2.

1.11 Operating Lease

Operating lease rentals are charged to the Statement of Comprehensive Net Income in equal annual amounts over the lease term.

The rent of land and buildings is an ongoing agreement with Sports Council for Northern Ireland Exchequer Account which holds the operating lease in respect of the land and buildings in which the Lottery Fund resides.

1.12 Taxation

The Lottery Distribution Account incurs corporation tax on bank interest earned.

1.13 Financial Instruments

Sports Council has adopted IAS 39. There has been no impact on the net assets of the organisation as a result of this. Note 13 provides appropriate disclosures regarding Financial Instruments on the Lottery Fund Accounts.

Investments

Investments are held by Department for Digital, Culture, Media and Sport (formerly Department for Culture, Media and Sport) on behalf of Sports Council and are available for sale. These are reflected at market value which equate to fair value.

1.14 Loans and Receivables

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

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

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

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

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

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

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

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

1.15 Employee Benefits

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as Sports Council is obligated to pay them. This includes the cost of any annual and flexi leave entitlements that have been earned at the year-end but not yet taken. The cost of untaken annual and flexi leave has been determined by using actual salary costs and the data from staff leave returns at 31 March. It is not anticipated that the level of untaken leave will vary significantly from year to year.

1.21 Estimation Techniques Used and Key Judgements

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

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

Depreciation and amortisation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are shown in note 1.3.

Going Concern

These accounts have been prepared on a going concern basis. This was formally considered by the Board at its Board meeting on 30 June 2021. Sports Council is not aware of any reason to adopt a different basis.

1.22 Impending application of newly issued accounting standards not yet effective

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

2. Prior year restatement

The implementation of the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport in December 2014 requires the following restatements to the prior year disclosures in the accounts as set out below.

The Lottery Accounts Direction requires the accounts to be prepared in accordance with the requirements of the FReM, so moving the accounting basis from accruals to commitments for grant expenditure.

The impact for Sport NI is that the accounting policy for Lottery grant commitments has now changed. Whereby in previous years, commitments would be recognised in the accounts at the "hard" stage,

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

now all grants are recognised at the “soft” stage when they have been approved and a contract has been issued to the applicant.

The change in accounting policy has been implemented by adjusting the opening position for 2012-13 through the reserves.

Statement of Comprehensive Net Expenditure

Net Expenditure	2014-15	2013-14
	£	£
Previously reported Net Comprehensive Income	4,269,597	1,558,174
Effect of changes in accounting treatment	<u>(139,000)</u>	<u>(8,013,405)</u>
Restated Net Comprehensive Income/(Expenditure)	<u>4,130,597</u>	<u>(6,455,231)</u>
Grants Made In Year	2014-15	2013-14
	£	£
Previously reported grants made in year	5,494,400	6,499,261
Effect of changes in accounting treatment	<u>139,000</u>	<u>8,013,405</u>
Restated grants made in year	<u>5,633,400</u>	<u>14,512,666</u>

Statement of Financial Position

Assets Less Liabilities	2014-15	2013-14
	£	£
Previously reported assets less liabilities	1,772,496	6,862,899
Effect of changes in accounting treatment	<u>(139,000)</u>	<u>(9,360,000)</u>
Restated assets less liabilities	<u>1,633,496</u>	<u>(2,497,101)</u>
Grants payable	2014-15	2013-14
	£	£
Previously reported grants payable	13,226,736	6,290,317
Effect of changes in accounting treatment	<u>139,000</u>	<u>9,360,000</u>
Restated grants payable	<u>13,365,736</u>	<u>15,650,317</u>

Statement of Cash Flows

Net income/(expenditure)	2014-15	2013-14
	£	£
Previously reported net income/(expenditure)	4,269,410	1,559,551
Effect of changes in accounting treatment	<u>(139,000)</u>	<u>(8,013,405)</u>
Restated net income/(expenditure)	<u>4,130,410</u>	<u>(6,453,854)</u>
Increase/(decrease) in payables	2014-15	2013-14
	£	£
Previously reported increase/(decrease) in payables	(2,239,467)	(1,274,742)
Effect of changes in accounting treatment	<u>139,000</u>	<u>8,013,405</u>
Restated increase/(decrease) in payables	<u>(2,100,467)</u>	<u>6,738,663</u>

Statement of Changes in Equity

General Reserve	2014-15	2013-14
	£	£
Previously reported balance at 31 March	6,747,587	<u>5,186,305</u>
Effect of changes in accounting treatment	<u>(9,360,000)</u>	<u>(1,346,595)</u>
Restated balance at 1 April	<u>(2,612,413)</u>	<u>3,839,710</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

3. Segmental Reporting

In line with IFRS 8, Sports Council does not have any segmental data to disclose. The Board of the Sports Council review the financial performance on a bi-monthly basis, based on similar information contained within the Statement of Comprehensive Income of the financial statements.

4. Staff Numbers and Related Costs

	Permanently Employed	Others	2014-15	2013-14
	£	£	£	£
Salaries & Wages	590,798	-	590,798	379,306
Social Security Costs	33,642	-	33,642	24,757
Other Pension Costs	117,819	-	117,819	73,497
Temporary Staff	-	867	867	-
Total Staff Costs	742,259	867	743,126	477,560

All of the staff costs were incurred by Exchequer Account and recharged under terms and conditions of service.

Average number of persons employed

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

	2015 SCNI Permanent	2015 SCNI Others	2015 Total	2014 SCNI	2014 Group
Directly Employed	109	13	122	103	136
Other	-	4	4	6	6
Total	109	17	126	109	142

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

	Permanently Employed Staff	2014-15 Others	Total	2013-14 Total
Lottery Account				
Directly employed	16	-	16	12
Agency staff	-	-	-	-
Total	16	-	16	12

The gender of persons employed at 31 March was as follows:

	Male Directors	Male Employees	Female Directors	Female Employees
2014-15				
Payroll	4	69	2	73
Board*	-	-	-	-
Agency	-	3	-	-
Total	4	72	2	73

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

	Male Directors	Male Employees	Female Directors	Female Employees
2013-14				
Payroll	4	71	1	71
Board*	-	-	-	-
Agency	-	2	-	1
Total	4	73	1	72

*Board Members are employed by the Department. The Chair and Vice Chair are the only Members to receive honorarium from Sports Council.

Pension Scheme

Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme). The NILGOSC scheme is part of the Local Government Pension Scheme (LGPS) and is a multi-employer, defined benefit scheme.

All assets, liabilities and operating costs relating to the pension scheme are processed through the Sports Council Exchequer Accounts. A recharge is made to the Sports Council Lottery Distribution Accounts for any pension costs incurred on its behalf.

Details of the pension scheme are available within the Sports Council Exchequer Accounts. There have been no payments for civil service and other compensation schemes.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

5. Other Expenditure

	Total	Direct	Recharge	Total
	2014-15	2014-15	2014-15	2013-14
	£	£	£	£
Operating Costs				
SCNI Overhead Charge	196,456	-	196,456	174,690
Publicity	160,914	3,073	157,841	66,987
External Audit Fee	32,000	32,000	-	27,000
Repairs and Maintenance	6,804	6,804	-	17,886
Publication, Printing, Stationery & IT	-	-	-	9,965
Professional Fees	68,076	68,076	-	8,367
Courses & Conferences	5,392	5,252	140	7,057
Travel & Subsistence	9,358	-	9,358	5,471
Research & Evaluation	10,467	10,467	-	5,000
Total Operating Costs	<u>489,467</u>	<u>125,672</u>	<u>363,795</u>	<u>322,423</u>

Of the above total for 2014-15 £363,795 (2013-14: £226,503) was initially incurred by the Sports Council's grant-in-aid account and recharged to the Lottery Distribution Account.

6. Income from Activities

	2014-15	2013-14
	£	£
Proceeds from National Lottery	10,149,357	8,632,958
Investment Income	41,035	40,345
Total	<u>10,190,392</u>	<u>8,673,303</u>

7. Other Income

	2014-15	2013-14
	£	£
Local Authority Contributions	60,500	-
Grant clawbacks	-	6,236
Total	<u>60,500</u>	<u>6,236</u>

8. Interest Receivable

	2014-15	2013-14
	£	£
Interest on Clawbacks	90	539
Total	<u>90</u>	<u>539</u>

9. Corporation Tax

	2014-15	2013-14
	£	£
Tax	18	108
Total	<u>18</u>	<u>108</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

10 Property, Plant and Equipment

	2014-15 Information Technology £	2013-14 Information Technology £
Cost or valuation		
At 1 April 2014	68,577	72,084
Additions	-	-
Revaluation	346	(3,507)
At 31 March 2015	<u>68,923</u>	<u>68,577</u>
Depreciation		
At 1 April 2014	60,727	57,256
Charge for the Year	4,978	5,726
Revaluation	264	(2,255)
At 31 March 2015	<u>65,969</u>	<u>60,727</u>
Carrying Amount at		
At 31 March 2015	<u>2,954</u>	<u>7,850</u>
At 31 March 2014	<u>7,850</u>	<u>14,828</u>
Asset financing:		
Owned	2,954	7,850
Carrying amount at 31 March 2015	<u>2,954</u>	<u>7,850</u>

11 Intangible Assets

	2014-15 Information Technology £	2013-14 Information Technology £
Cost		
At 1 April 2014	62,332	63,922
Additions	-	-
Revaluation	163	(1,590)
At 31 March 2015	<u>62,495</u>	<u>62,332</u>
Amortisation		
At 1 April 2014	58,915	57,331
Charge for the Year	2,643	2,618
Revaluation	130	(1,034)
At 31 March 2015	<u>61,688</u>	<u>58,915</u>
Carrying Amount at		
At 31 March 2015	<u>807</u>	<u>3,417</u>
At 31 March 2014	<u>3,417</u>	<u>6,591</u>
Asset financing:		
Owned	807	3,417
Carrying amount at 31 March 2015	<u>807</u>	<u>3,417</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

12 Investments Classified As Held for Sale

12(a) Balances Held in NLDF

	2014-15	2013-14
	£	£
Proceeds from Lottery	10,149,357	8,632,958
Investment Income	41,035	40,345
Drawn Down in Year	(8,724,515)	(8,194,027)
Increase in Funds	1,465,877	479,276
Balance at 1 April	13,270,205	12,790,929
Balance at 31 March	14,736,082	13,270,205

The funds held in the NLDF are invested on its behalf by the National Investment and Loans Office. The above balances are based on the distribution of National Lottery funds set out in the National Lottery Act as amended. Interest earned on the sums invested is apportioned to each of the 12 Lottery Distributors on the basis of their percentage of the total remaining NLDF Funds at the time the interest is received. The market value of investments held by the NLDF on behalf of the Sports Council's Lottery Distribution Account at 31 March 2015 was £14,736,082 (2013-14: £13,270,205).

12(b) NLDF Balance Policy

In August 2003 DCMS issued 'National Lottery Guidance Note 1/03: Management of NLDF Balances'. This guidance note proposes that each Lottery Distributor should have an NLDF balance policy and should publish a statement on its policy in its Annual Report and Accounts. This should include a target for the size of its NLDF balance based on an assessment of needs over the next three financial years.

The following is the policy as approved by Sports Council:

Sports Council aims to keep NLDF balances at a prudent level that will maximise its ability to achieve its strategic objectives and to ensure the effective progress of existing and future commitments. In setting its target balances the Sports Council will seek to ensure that it neither compromises existing commitments nor unreasonably constrains its ability to make future commitments.

In February 2013 Sports Council agreed that the NLDF target balance should be as follows:

- by 31 March 2014 to achieve a NLDF balance of £11.832m;
- by 31 March 2015 to achieve a NLDF balance of £9.056m;
- by 31 March 2016 to achieve a NLDF balance of £4.483m;
- by 31 March 2017 to achieve a NLDF balance of £0.913m; and
- by 31 March 2018 to achieve a NLDF balance of £0.325m.

At 31 March 2015 the Sports Council NLDF balance was £14.736m. The target for the year was not achieved. The variance has arisen due to the following:

- (i) There has been a high level of decommitment under Active Communities due to staff leaving or being redeployed within Councils and not being replaced. Despite this, the targets were still achieved for the programme.
- (ii) The High Performance Capital programme was anticipated to start in 2014-15 but has been delayed until 2016-17. This was a result of the Board reconsidering how the programme would be rolled out.
- (iii) A delay in the start of the Boxing Strategy capital programme.

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

The profiling was updated in December 2015 and new NLDF balance targets set for each financial year from 2015-16 to 2021-22 as follows:

- by 31 March 2016 to achieve a NLDF balance of £13.297m;
- by 31 March 2017 to achieve a NLDF balance of £8.226m;
- by 31 March 2018 to achieve a NLDF balance of £7.080m;
- by 31 March 2019 to achieve a NLDF balance of £5.793m;
- by 31 March 2020 to achieve a NLDF balance of £1.367m;
- by 31 March 2021 to achieve a NLDF balance of £1.773m; and
- by 31 March 2022 to achieve a NLDF balance of £5.390m.

13 Financial Instruments:

Sports Council's Lottery Fund financial instruments comprise of cash liquid resources; investments held in the National Lottery Fund Distribution Account; receivables, trade payables; and grant commitments to applicants which arise directly from Sports Council's operations. The main purpose of these financial instruments is to provide finance for the operations of Sports Council. There are currently no borrowings or embedded derivatives.

Liquidity Risks

In 2014-15, £10.15 million (99.0%) of the Sports Council's Lottery Fund's income was derived from the National Lottery. The remaining income is derived from investment returns from the balance held with the NLDF (£0.041 million (0.4%)) and from Sundry Income (£0.061 million (0.6%)). The Sports Council consider that the Fund is not exposed to significant liquidity risks; and it is satisfied that sufficient liquid resources are held within the NLDF Investment, and in the bank of £15.385 million to cover all contracted commitments of £13.77 million.

Interest Rate Risks

The financial assets of the Fund are invested in the NLDF, which invests in a narrow band of low risk assets such as government bonds and cash. Sports Council has no control over the investment of Funds in the NLDF. At 31 March 2015 the Market Value of investment in the NLDF was £14.736 million. In the year the average return on these investments was 0.50%. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs were held in a non-interest bearing current account, as it is part of the Northern Ireland government pooling agreement. The cash balance at the year-end was £0.649 million. Sports Council considers that the Fund is not exposed to significant interest rate risks.

Foreign Currency Risk

The Fund is not exposed to any foreign exchange risks.

Commodity Risk

The Fund is not exposed to any commodity risks.

Credit Risk

The Fund is not exposed to any credit risk.

14 (a) Trade and Other Receivables

Amounts falling due within one year:

	2014-15	2013-14
	£	£
Grant Clawback	3,236	13,212
Interest on Clawback	-	120
Local authority contributions	8,250	-
	<u>11,486</u>	<u>13,332</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

14 (b) Intra-Government Receivable Balances

	2014-15	2013-14
	£	£
Balances with local authorities	8,250	-
Balances with bodies external to government	3,236	13,332
	<u>11,486</u>	<u>13,332</u>

15. Cash and Cash Equivalents

	2014-15	2013-14
	£	£
Balance at 1 April	75,169	260,238
Net change in cash and cash equivalent balance	573,605	(185,069)
Balance at 31 March	<u>648,774</u>	<u>75,169</u>

The cash and cash equivalents balances are denominated in Sterling. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise of the following balance at the 31 March:

Commercial banks	<u>648,774</u>	<u>75,169</u>
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16 Trade payables and other current liabilities

16(a) Amounts falling due within one year:	2014-15	2013-14
	£	Restated
	£	£
Other taxes and social security	18	108
Trade payables	26,192	47,227
Other payables	330,086	169,422
Accruals and deferred income	44,575	-
Trade and other payables	<u>400,871</u>	<u>216,757</u>
Grants Payable (Note 17)	10,179,236	9,420,234
Total current liabilities	<u>10,580,107</u>	<u>9,636,991</u>

Amounts falling due after more than one year:

Grants Payable (Note 17)	<u>3,186,500</u>	<u>6,230,083</u>
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16(b) Intra-Government Payable Balances Less Than One Year	2014-15	2013-14
	£	Restated
	£	£
Balances with central government	12,593	108
Balances with local authorities	3,403,906	4,451,231
Balances with other government organisations	362,087	643,790
Balances with bodies external to government	6,801,521	4,434,714
	<u>10,580,107</u>	<u>9,529,843</u>

Amounts falling due after more than one year:

Balances with local authorities	-	37,083
Balances with bodies external to government	3,186,500	6,300,148
	<u>3,186,500</u>	<u>6,337,231</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

17. Grants Payable

	2014-15	2013-14
	£	Restated
	£	£
Grants payable at 1 April	15,650,317	8,948,897
Grants Paid during the year	(7,164,849)	(7,623,646)
Grant de-commitments	(753,132)	(187,600)
Grants made in the year	5,633,400	14,512,666
Grants payable at 31 March	<u>13,365,736</u>	<u>15,650,317</u>

Profile of Commitments over the next five years

Amounts falling due during 2014-15	-	9,420,234
Amounts falling due during 2015-16	10,179,236	3,182,583
Amounts falling due during 2016-17	3,117,000	3,047,500
Amounts falling due during 2017-18	69,500	-
Amounts falling due during 2018-19	-	-
Amounts falling due after 2018-19	-	-
	<u>13,365,736</u>	<u>15,650,317</u>

The prior year figures have been restated following the implementation of the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport in December 2014 (Note 2).

18. Analysis of Grant Payments

	2014-15	2013-14
	£	Restated
	£	£
Public Sector Bodies	3,308,551	4,806,506
Private Sector Bodies	<u>3,856,298</u>	<u>2,817,140</u>
Total Grant Payments	<u>7,164,849</u>	<u>7,623,646</u>

19. Analysis of the Revaluation Reserves

	Note	NLDF	Non-Current	Total
		Investment	Assets	Revaluation
		£	£	Reserve
		£	£	£
Balance at 31 March 2014		113,512	1,800	115,312
Net Gain on revaluation of Non-Current Assets	10&11	-	115	115
Realised Element		-	(1,281)	(1,281)
Balance at 31 March 2015		<u>113,512</u>	<u>634</u>	<u>114,146</u>

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

20. Commitments Under Leases

The rent of land and buildings is an ongoing agreement with Sports Council for Northern Ireland Exchequer Account, which holds the operating lease in respect of the land and buildings in which the Lottery Fund resides. The following are the rental amounts incurred:

	2014-15	2013-14
	£	£
Total Rent Recharge	<u>10,800</u>	<u>10,800</u>

21. Related Party Transactions

Several members of the Sports Council Board, its Committees and Senior Staff (Executive Team) are also involved with suppliers or other sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. These individuals make an annual declaration of their interests and do not take part in discussions and decisions to make commitments to those organisations with which they have had a declared interest. A list of the commitments made to the organisations concerned and details of who made the declaration of interest is shown below. All of the transactions relating to the organisations were conducted at arm's length by Sports Council.

Council Board Member	Grantee	Commitments to Grantee £	Relationship of Staff Member to Grantee
Roisin Mallon	Athletics Northern Ireland	4,600	Person Connected – Subscribing Member – Current
Danny O'Connor	North Belfast Play Forum	9,960	Vice-Chair– Current
Andrea Bingham	Hazama Judo Club	9,954	NI Judo Federation – Board Member – Current
Ian McAvoy	Disability Sport Northern Ireland	392,220	Director– Former

Executive Team Staff Member	Grantee	Commitments to Grantee £	Relationship of Staff Member to Grantee
Antoinette McKeown	St Joseph's GAC(Glenavy)	4,121	Subscribing Member – Former
Nick Harkness	Golfing Union of Ireland	20,000	Person Connected – Subscribing Member – Current
	Queen's University	170	Student
Andrew Sloan	Queen's University	170	Former part-time tutor

SPORTS COUNCIL FOR NORTHERN IRELAND LOTTERY ACCOUNTS

Other related parties include:

The Lottery Account operations of Sports Council are funded from the National Lottery Distribution Fund through the Department for Digital, Culture, Media and Sport (DCMS) (formerly Department for , Culture, Media and Sport). DCMS is regarded as a related party. During the year Sports Council has had various material transactions with DCMS.

None of the Board Members, key managerial staff or other related parties has undertaken any material transactions with the Sports Council during the year.

Up to 30 June 2014, Sports Council owned 50% of the Sports Institute Northern Ireland via a joint venture with the University of Ulster. From 1 July 2014 the Sports Institute Northern Ireland has been integrated 100% with Sports Council. The Sports Institute Northern Ireland and University of Ulster were both regarded as related parties to 30 June 2014. Sports Council Board Members who currently reside as Directors on the Board of Sports Institute Northern Ireland are as follows:

- Shane McCullough;
- Gerard Campbell; and
- Paul Cummings – appointed 24 July 2013;

Sports Council employs the following staff who held positions at the Sports Institute Northern Ireland to 30 June 2014:

- Shaun Ogle (Executive Director); and
- Ian Weir (Business Manager).

A percentage of these employees time was recharged to the Sports Institute Northern Ireland through a service level agreement.

Under the terms of the integration of the Sports Institute Northern Ireland, all SINI members of staff were transferred to Sports Council (under a TUPE agreement) from 1 July 2014. Up to 30 June 2014, 40 members of staff were employed by Sports Institute Northern Ireland.

As a matter of policy and procedure, Sports Council maintains a publicly available register of interests on its website www.sportni.net where Board Members and staff declare any direct interest in grant applications made to Sports Council or any commercial relationships of Sports Council. In addition, Exchequer grants were paid during the year to a number of organisations in which Board Members declared an interest (see Exchequer accounts for details). Having declared an interest Board Members are required to leave the meeting while the relevant application is discussed and a decision is made.

22. Other Commitments

Approvals for awards totalling £4.94m had been made at 31 March 2015 (2013-14 restated: £2.88m). Letters of offer had yet to be made to the applicants at the year end so these have not been recognised as commitments in the accounts.

23. Contingent Liabilities

There were no contingent liabilities as at 31 March 2015.

24. Losses and Special Payments

There were no losses or special payments during the year which required disclosure in the accounts (2013-14: NIL).

25. Events After the Reporting Period

For detail on absence of Chief Executive, Interim Executive Leadership Team Report and Transformation Programme, Board Resignations, absence of Chief Executive and the delay of publication of annual report refer to the Governance Statement.

Change in Name of Sponsoring Department

Following the amalgamation of the former Department of Culture, Arts and Leisure (DCAL) with the Department for Social Development (DSD), and some of the functions of other departments, the new Department for Communities (DfC), effective from 9 May 2016, became Sports Council's Sponsoring Department.

From 3 July 2017, the Department for Culture Media and Sport (DCMS) became known as Department for Digital, Culture, Media and Sport (DCMS).

26. Third Party Assets

There are no third party assets as at 31 March 2015 (2013-14: Nil).

Date of Authorisation for Issue

The Annual Report and Accounts were authorised by the Accounting Officer to be issued on the date they were certified by the Comptroller and Auditor General.

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