

Sports Council for Northern Ireland
Lottery Distribution Account
for the Year Ended
31 March 2017

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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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PERFORMANCE REPORT

This Performance Report focuses on matters relevant to all users of Financial Statements. Although it is designed to be a self-standing document, much of the information contained in it is simply a summary of information provided in other documents and is therefore cross-referenced as appropriate.

The Governance Statement (refer to page 15) provides detail on the significant delay in the audit of the Sports Council for Northern Ireland Lottery account for 2016-17. The 2016-17 annual report and accounts were audited during the 2023-24 financial year. The narrative and information included in the annual report and accounts should be considered in that context.

Overview

The purpose of the 'Overview' section of the Performance Report is to give the user a brief summary that provides the lay user with sufficient information to understand the organisation, its purposes, the key risks to the achievement of its objectives and how it has performed during the year. It consists of the Chair's Foreword, Chief Executive's Introduction and the Purposes of the Sports Council for Northern Ireland (hereafter referred to as Sport NI).

Chairman's Foreword

I am pleased to introduce the 2016-17 Annual Report for Sports Council for Northern Ireland Lottery Distribution Account (hereafter referred to as Sport NI Lottery Account). As well as providing an overview into some of the key strategic progress and achievements of Sport NI and its staff during the 2016-17 financial year, it is also testament to the organisation's commitment to working in partnership with our stakeholders to promote the development of local sport.

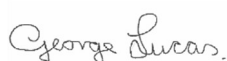
We believe passionately in the power of sport to enhance Northern Ireland's health, mental wellbeing, social and economic development, and the promotion of more cohesive communities. In 2016-17, Sport NI worked on, and invested in, creating sustainable opportunities for people from all sections of society to get active and involved in sport. In particular, we worked to target underrepresented groups including women and girls, people with a disability and older people, to help them to enjoy all the benefits that come from sport and physical activity.

Sport also has the power to inspire and instil pride, and 2016-17 saw our local athletes continue to succeed on the world stage. In particular, we were proud to support our Paralympians Bethany Firth, Jason Smyth and Michael McKillop on their way to Gold medal success at the 2016 Paralympic Games in Rio. Other highlights included Carl Frampton winning the WBA (Super) Featherweight title in the summer of 2016, and Northern Ireland's journey at the Euro 2016 Championship Finals. We continued to support our local athletes, sporting workforce and systems as we worked together as a sporting community to produce winning performances and moments in the years ahead.

Internally, the organisation faced a number of challenges in relation to performance, governance and leadership. The Northern Ireland Audit Office published a report into these issues in 2020. The Board committed to learning from findings of this report and to implementing its recommendations.

2016-17 saw the Board of Sport NI make considerable progress as part of the organisation's Transformation Programme. Through exercising strong, visible and responsible leadership, the Board focused on working to ensure compliance with high standards of governance and accountability, and to cultivate an organisational culture focused on delivery through respect, learning, innovation and collaboration.

In closing, I would like to pay tribute to my fellow Board Members for their commitment, time and expertise, and to Sport NI staff whose dedication and enthusiasm for promoting sport is evidenced in this Report. We look forward to continuing to build on the progress and learning achieved during 2016-17 as we progress, focused on delivering our strategic vision of 'Northern Ireland: renowned as a place where people enjoy, engage, and excel in sport'.



George Lucas
Chairman
Sports Council for Northern Ireland

Date: 9 September 2024

Chief Executive's Introduction

From the playground to the podium, sport is a powerful force for inspiring local people, bringing communities together, and allowing everyone to lead healthier and more active lives.

The 2016-17 year was an outstanding one. The summer of 2016 saw record numbers of local athletes competing at the Olympic and Paralympic Games in Rio. Paralympians Jason Smyth and Michael McKillop delighted us with the successful defence of their respective 100m and 1500m titles, and swimmer Bethany Firth's outstanding performances saw her become Team GB's most decorated athlete of the Games. Such achievements are a testament to the athletes' incredible talents, their absolute commitment to their sport, and the hard work and dedication of their coaches and wider support network. Sport NI was proud to provide assistance to Jason, Michael and Bethany on their path to continued success, by supporting their training and competition programmes through our 'Athlete Investment Programme', and through the specialist support from our Sports Institute, in areas such as strength and conditioning, nutrition and sports medicine. Through our 'Pure Winner Programme', we also worked with all our 2016 Olympians and Paralympians to continue to promote a message of clean sport. 2016 also saw us 'dare to dream' as the Northern Ireland Football Team competed at the Euro 2016 Finals. Again, we were delighted to provide support to the team through our Sports Institute, which has provided sports science services to the players and staff since 2009, accompanying the team on its incredible journey to Northern Ireland's first major finals in 30 years.

The success of our elite athletes plays a vital role in inspiring local communities to pursue their own sporting ambitions, at all stages of the performance pathway, and so it is vital that we provide inclusive opportunities for people to participate in sport and physical activity. That is why another highlight of 2016-17 was the launch of Sport NI's new participation strategy 'Every Body Active 2020', which aimed to increase participation in sport and physical activities across key life-course transitions. In particular, the programme sought to target people who were traditionally less likely to engage in sport and physical activity, and it was essential that we remained committed to providing opportunities, facilities and structures which were inclusive and accessible. That is why Sport NI was particularly pleased to have collaborated with the Department for Communities and our other partners on programmes such as the 'Active Living: No Limits Action Plan' and the 'Women and Girls: Active Fit and Sporty' project to engage people with disabilities and female participants and help them to get active and enjoy the benefits that come from involvement in sport and physical activity.

Sport NI recognises our responsibility to deliver sport within a robust framework of governance, value for money and public accountability. There were some key learnings during this year which the organisation continues to work to address so that we are seen as a trusted and effective leader, and we are committed to continuous improvements and organisational growth.

On behalf of Sport NI, I would like to acknowledge and thank all of the individuals and organisations we have worked with during 2016-17, and in particular our local sporting workforce of coaches, officials, administrators and volunteers for their dedication to making sport happen day in day out. We remain committed to developing Northern Ireland sport, and to our belief in the positive contribution sport can make to the health, wellbeing and prosperity of our local communities.



Richard Archibald
Interim Chief Executive
Sports Council for Northern Ireland

Date: 9 September 2024

Strategic Report

Purpose and the Activities of Sports Council for Northern Ireland

Background Information

The Sports Council for Northern Ireland (referred to as “Sport NI”) 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 (as amended) with its main objective being the furtherance of sport and physical recreation.

Sport NI’s principal functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986;

- On matters relating to sport and physical recreation, to advise the Department for Communities and other Government departments, Education Authority, Local Councils and other bodies interested in sport and physical recreation;
- To assist, subject to Paragraph (4) of the article:
 - In the provision of administrative services, equipment, coaching and instruction;
 - In the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities; and
 - Bodies providing supportive services in connection with sport and physical recreation.

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 (Now the National Lottery Community 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).

In 1994, the Minister for the Department for Culture, Media and Sport (DCMS) appointed Sport NI as a Lottery distributor for 2.6% of money allocated to sport. Lottery funds are accounted for in the Sports Council for Northern Ireland Lottery Distribution Account (referred to as the Sport NI Lottery Account).

Principal Functions related to National Lottery Distribution Activities

Sport NI 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) issued by the Department for Communities, on behalf of the Department of Culture, Media and Sport, in exercise of the powers conferred by section 26(1) of the National Lottery etc. Act 1993 (as amended). Sport NI’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 Sport NI prepares and adopts a strategic plan for the distribution of its share of Lottery income. Sport NI developed and agreed a Corporate Plan covering the period 2015–2020 and a current Plan covering the period 2020-2025. This outlined how Sport NI was to allocate its share of Lottery funding during these five year periods. The plans also set out Sport NI’s priorities, activities, targets and programmes during this period.

2016-17 National Lottery Distribution Activities

In 2016-17, Sport NI continued to offer a range of capital and revenue programmes. ‘Every Body Active’, ‘Active Clubs’, ‘Athlete Investment’, ‘Performance Focus’, ‘Boxing’ and ‘Single Facilities’ were the main programmes undertaken during the year.

Future Developments in National Lottery Distribution Activities

During 2017-18 Sport NI undertook new investments under ‘Sporting Clubs/Winners’. ‘Sporting Clubs’ delivered sustained increases in club membership through club and workforce development with a range of funded sporting organisations. ‘Sporting Winners’ invested in National Governing Bodies of Sport supporting athletes and teams that had the potential for success at major senior international competitions – Olympic Games, Paralympic Games, Commonwealth Games, the World Championship Event and the European Championship.

National Lottery Distribution Fund (NLDF) Balance Policy

In August 2003 the DCMS issued a guidance note 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. Sport NI's NLDF policy is included within the accounts at Note 9.

Key Issues and Risks

In line with agreed Corporate Plans, Sport NI continued to review its budgets to identify efficiencies to ensure the cost of key programmes and activities forecasted would have adequate funds available over the planning period and to avoid any over-commitments in Sport NI's Lottery Account.

The nature of Sport NI activities creates an interdependency between funding sources. Lottery receipts can be subject to fluctuation, but at this time are less vulnerable than Sport NI Exchequer Account budgets. 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.

Decisions taken by Sport NI during the 2014-15 and 2015-16 years resulted in risks materialising in subsequent years that had a significant impact on the reputation and operation of the organisation.

The details of these decisions are outlined in previous years accounts. The key issues and risks for 2016-17 are outlined in the Governance Statement on page 15.

Going Concern Basis

The financial statements are produced on the Going Concern basis. Going concern was re-assessed and approved by the Board at its meeting on the 13 March 2024. Sport NI is not aware of any reason to adopt a different basis.

Performance Summary

Sport NI's Business Plan for 2016-17 responded to the Management Statement and Financial Memorandum, drawn up by the Department for Communities and set out the organisation's Key Performance Indicator (KPI) targets for the financial year.

Per the end of year review of the Business Plan, 24 (89%) of the 27 KPI's were either achieved or likely to be achieved. Please refer to the Performance Analysis section below for further details.

Performance Analysis

Financial Results

Sport NI's Lottery Account results are set out in the Statement of Comprehensive Income. Total proceeds and investment income received from the National Lottery totalled £8,503,321 (2015-16: £10,042,099). During the year Sport NI Lottery Account made awards of £3,995,210 (2015-16: £3,740,833). A total of £8,025,291 (2015-16: £7,059,188) was paid to grant applicants. The total administrative costs of Sport NI's Lottery Account 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 £1,833,911 (2015-16: £1,658,363). This represents approximately 21.6% (2015-16: 16.5%) of the total National Lottery proceeds received in the year.

Equity at Year End

At 31 March 2017 Sport NI's Lottery Account showed net income of £3,869,514 (31 March 2016: £4,783,029). At 31 March 2017, total equity showed a surplus of £10,286,168 (31 March 2016: £6,416,563).

Review of Activities and Key Performance Indicators (KPIs)

Sport Northern Ireland's Business Plan for 2016-17 responded to the Management Statement and Financial Memorandum (MSFM), drawn up by the Department for Communities and sets out the organisation's Priorities for Action, Key Activities, Key Performance Indicator (KPI) targets and their associated budget for the financial year.

The table below provides a summary of the 27 KPI targets using a 'traffic light' rating system showing progress against each strategic objective outlined in the Business Plan. Per the end of year review of the Business Plan, 24 (89%) of the 27 KPI's were either achieved or likely to be achieved.

Key:

Green = Target achieved

Amber = Target missed by a small margin (<10%)

Red = Target missed by a substantial margin (>10%)

None = KPI was superseded mid-year.

Strategic Objectives	Priorities for Action	Key Activities	Year End Status
1. Sporting Communities	1. Lead, coordinate and invest in the development and delivery of grassroots sport, extending choice and quality opportunities which engage all.	1. Number of council-based community plans in development which include objectives and targets relating to physical activity.	Green
		2. Number of skills and leadership participant days at Tollymore National Outdoor Centre.	Green
		3. Identification of key sites in Northern Ireland critical to the development of specific outdoor sports.	Green
	2. Increase participation in grassroots sport with a target on young people, people with a disability, women, older people and people living in areas of greatest social need.	4. Number of women/girls participating in sport as a result of Sport Northern Ireland investment.	Green
		5. Number of disabled people participating in sport as a result of Sport Northern Ireland investment.	Green
		6. Number of people participating in Sport Northern Ireland's initiatives from areas of greatest social need.	Green

2. Sporting Clubs	1. Invest in the sporting workforce to enable sports clubs to develop and deliver quality sporting experiences so that people can enjoy and sustain a sporting lifestyle.	7. Number of learning opportunities delivered to support the development of the sporting workforce through attendance at Sport Northern Ireland workshops, networks and training.	Green
		8. Number of Governing Bodies achieving an 'established' or 'better' rating through the completion of the 'PerformanceView' Coaching Self-Evaluation process.	Green
		9. Number of new sports club members engaged in sport as a result of Sport Northern Ireland investment.	Green
		10. Number of clubs engaged in development through Club Leaders NI, Clubmark NI, and Active Clubs.	Green
		11. Number of Governing Bodies achieving an 'Established' or 'better' rating through the completion of the PerformanceView Club Development Self Evaluation process.	Green
		12. Number of Governing Bodies achieving an 'Established' or 'better' rating through the completion of the PerformanceView Governance and Culture Self Evaluation process.	Green
		13. Number of Governing Bodies achieving an 'Established' or 'better' rating through the completion of the PerformanceView Talent Systems Self Evaluation Templates.	Green
		14. Number of talent identification and talent transfer interventions initiated in partnership with Governing Bodies of Sport.	Green
	2. Invest in quality sports facilities that engage communities, support achievement of sporting goals and develop future champions.	15. Percentage of external reviews completed to quality assure plans and designs for sports facilities.	Green
		16. Number of inspection visits undertaken at designated venues.	None
		17. Number of training places made available to stewards.	Green
		18. Number of offers made to provide new and/or improved club community facilities for single sport clubs.	Red

		19. Number of capital projects identified for Sport Northern Ireland investment and support (subject to full business case appraisal).	Red
		20. Number of delivery partners identified and supported.	Green
		21. Number of capital projects identified for investment and support (subject to full business case appraisal).	Green
		22. Number of new and/or improved Boxing club facilities.	Green
3. Sporting Winners	1. Prioritise those sports and athletes who have the potential to achieve success and excel at the Olympic, Paralympic and Commonwealth Games.	23. Number of medals won by Sport Northern Ireland supported athletes competing at the highest level.	Green
		24. Competitiveness improved as the result of Sport Northern Ireland intervention	Green
		25. Number of volunteer days undertaken by Sport Northern Ireland funded world class and international athletes.	Green
	2. Work strategically with the sports (including culturally significant sports) to invest in our high-performance expertise where it is most needed to ensure success.	26. Number of innovative interventions established to improve competitiveness.	Green
		27. Number of Governing Bodies achieving an 'Established' or 'Better' rating through the completion of the PerformanceView High Performance Operations Self- Evaluation process.	Green

As a result of the hard work of Sport NI staff, while meeting the KPIs during 2016-17 became increasingly challenging due to the loss of staff, only three KPIs were not met during the year.

The loss of both the 'Safety at Sports Grounds Officers' meant Sport NI was no longer in a position to provide this service. Sport NI submitted a formal request to the Department for Communities in 2016 requesting an amendment to KPI 16 in the context of a new Operational Framework for 2017.

The loss of Sport NI's Technical Adviser and the prioritisation of 27 Sport NI Exchequer Account projects (KPI 18) resulted in Sport NI Lottery Account Single Facility Fund projects (KPI 18) being delayed until 2017-18. The projects have since been progressed.

Sport NI's 'Multi-Facility Fund' for capital projects (KPI 19) did not open as planned in 2016-17 due to delays in the completion of the District Council Area Reports. The Multi Facility Fund opened for applications in March 2018.

The following narrative provides detail of the significant work of Sport NI Lottery Account during 2016-17:

1.0 Participation

1.1 Active Clubs

‘Active Clubs’ was a National Lottery funded programme committed to increasing sports club membership. Evidence suggested that membership of clubs was the best indicator of lifelong engagement in sport, and with this in mind, Sport NI’s ‘Active Clubs’ four-year investment programme was aimed at helping sports grow their membership base, as well as supporting their coaching and volunteer workforce through the delivery of various training, education and learning opportunities. There was a marked emphasis on engaging specific underrepresented groups in sports club settings; including women & girls; those aged 14-25 years and those living in areas of high social need.

Through targeted investment, the ‘Active Clubs’ programme supported a total of eleven Governing Bodies of Sport & two umbrella organisations through the deployment of 15 Full Time & four Part Time Active Clubs Coordinators delivering on a range of project specific targets.

During the period April to Dec 2016 Sport NI’s targeted investment in ‘Active Clubs’ facilitated the growth of sports club membership by 5,127 people across 342 sports clubs.

A critical aspect of the ‘Active Clubs’ programme involved the development of collaborative practice and the sharing of information about ‘what works’ among those involved in grassroots delivery. In 2016 Sport NI facilitated a series of ‘Creating Sporting Insights’ (CSI) events for the 13 sports. This included fostering collaborative planning and delivery with Local Councils through the ‘Everybody Active 2020 Programme’ and sharing best practice across a range of thematic areas including, engaging young people in physical activity; maximising marketing through social media; utilising Research Data to inform future actions; and engaging people in rural communities in sport and physical activity.

1.2 Every Body Active 2020: Opportunities

‘Opportunities’, one of the strands of the ‘Every Body Active 2020 programme’, was the follow up initiative to the very successful ‘Active Communities’ programme. Its aim was to “increase quality opportunities for targeted groups to develop and sustain participation in sport across key life-course transitions”.

Through partnership working and investment in all 11 council areas, ‘Every Body Active 2020 (Opportunities)’ enabled the deployment of a workforce of coaches and physical activity leaders to communities all across Northern Ireland. As ‘Every Body Active’ was embedded into the District Councils it played a key role in contributing to the outcomes of each of the 11 Community Plans across Northern Ireland.

The annual programmes of activities delivered through the 11 District Councils favourably affected change and increases in participation over the four years, in particular for women/girls, people with a disability and areas of highest social need.

The emphasis of ‘Every Body Active 2020 (Opportunities)’ was to encourage and empower individuals to move from casual participation in physical activities to becoming a sustained participant (more than 11 bouts of activity per year) therefore having significant positive impact on their physical and mental health and well-being.

‘Every Body Active 2020 (Opportunities)’ also targeted clearly identified key life course transition points, which in the past have shown a drop off in participation levels. By addressing these drop off points ‘Every Body Active 2020 (Opportunities)’ enabled more sustained participation in Sport among underrepresented groups across Northern Ireland.

1.3 Facility Fund

Sport NI ‘Facility Fund’ was a £17m investment into sports facility projects, for community (Single Facility Fund), club (Multi Facility Fund) and performance (Performance Facility Fund) use.

The ‘Facility Fund’ invested in facilities through the following three strands:

- **Single Facility:** single-sport facilities which sought to increase participation within the single sports clubs and local community structure.
- **Multi Facility:** multi-sport facilities which sought to increase participation across the wider clubs, community and governing body structures.
- **Performance Facility:** this strand sought to partially address the high performance training needs of Northern Ireland athletes, whilst also increasing community participation in sport and physical recreation.

In 2016-17, two Single Facility projects were completed:

- Downshire Tennis Club: tennis dome to cover synthetic courts.
- Killyleagh Yacht Club: purchase of boats.

Of the 16 projects outstanding at year end, 15 projects have since completed and one has had a final letter of offer.

1.4 Every Body Active 2020: Outdoor Spaces

‘Outdoor Spaces’, another strand of ‘Every Body Active 2020’, was a capital programme that funded new outdoor recreation infrastructure facilities spread throughout Northern Ireland which developed access to the natural environment. The deadline for applications to the programme closed on the 28th February 2017. Sport NI received 41 applications for funding ranging in requests from £12,000 up to £120,000 which were spread throughout a range of organisations including Local Councils, sport clubs, community groups and disability groups. A priority of the programme was to create facilities throughout Northern Ireland – in this regard Sport NI received applications from 10 out of the 11 council areas. Examples of projects applied for included angling, walking trails, mountain bike trails and water sport facilities. By March 2017 Sport NI had completed the Stage 1 assessment and moderation of applications. 20 applicants had been invited to Stage Two which was the development of a business case. Applicants that produced a viable business case, subsequently approved by Sport NI, were awarded funding for their project.

2.0 Performance

2.1 Performance Focus 2013-17

2016-17 witnessed the delivery of the final year of ‘Performance Focus’ with £3,145,804 investment awarded to 33 sporting organisations. This investment which ran from 2013 to 2017 was tasked with developing sporting systems across five interlocking elements: governance and culture; club development; coaching; talent; and high performance. Throughout the investment period sporting organisations had been updating the monitoring system ‘Performance View’ which gave a self-evaluation of their current position against benchmarks across the five themes. Sport NI staff engaged with sporting organisations from both a one-to-one perspective and also through a range of networks to highlight and share best practice.

3.0 Sustainability Report

Sport NI is committed to practices and procedures that minimise impacts 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 Department of Finance procurement guidance in integrating social considerations into contracts where appropriate.

Sport NI strategy encouraged its staff to ensure that;

- Energy usage was more efficient;
- Business travel where possible continued to be reduced through greater use of Video Conferencing.
- Waste Management was controlled through the practice of reduce, reuse, repair and recycle; and
- Biodiversity remained an element in planning for sports facilities and developments.

4.0 Social & Community Issues

Sport NI supports charitable giving. The staff fund makes charitable donations each year.

5.0 Political and Charitable Donations

Sport NI made no such donations during 2016-17 (2015-16: Nil).

6.0 Additionality

Sport NI recognises and respects the additionality principles of Lottery funding. Lottery funding enables us to extend the reach and increase the impact of the activity that we could undertake if Exchequer funds alone were available. Together with the other Lottery distributors, we have agreed to share the following common definition of additionality:

“Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies and funding.”

We have regard to the principles of additionality and this policy when we set the strategic objectives of our Lottery-funded programmes and when we decide how each programme will operate. We have, and will continue to use, Lottery funding to fund specific, time-limited activity that would not take place without the support of Lottery.

7.0 Payment of Suppliers

Sport NI 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 2016-17, Sport NI paid 88% (31 March 2016: 96%) of invoices within 10 working days and 100% (31 March 2016: 100%) within 30 days.

8.0 Pension Fund

All assets, liabilities and operating costs of Sport NI's pension scheme are recorded in Sport NI Exchequer Account. Details of pension liabilities can be found in the Remuneration and Staff Report of Sport NI Exchequer Account.

9.0 Interest Rate and Currency Risk

Sport NI had no borrowing, relying on funds held in the National Lottery Fund Distribution Account for its cash requirements and was therefore not exposed to liquidity risks. As all significant assets and liabilities were determined in Sterling, it was not exposed to material interest rate or currency risk.

10.0 Research and Development

Sport NI had no activities in relation to the research and development of assets.

11.0 Accounts and Appointment of Auditors

Sport NI Lottery Account 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.

The financial statements are also prepared in accordance with:

- The form directed by the Secretary of State for Culture, Media and Sport with the consent of the Department for Communities in Northern Ireland and the approval of HM Treasury in accordance with Section 35(2) –(3) of the National Lottery etc. Act 1993; and
- 2016-17 Government Financial Reporting Manual issued by HM Treasury.

The Department for Communities issued Lottery Policy Directions are attached at Appendix A.

Under the National Lottery etc. Act 1993, in particular Section 35(5), the National Audit Office (NAO) Comptroller and Auditor General audits the financial statements of each of the National Lottery distributing bodies. The Northern Ireland Audit Office complete this audit of Sport NI Lottery Account on behalf of NAO. Once completed, NAO is responsible for laying the audited accounts before Parliament.

The fee for the audit of these financial statements was £45,500 (2015-16: £32,000). This cost was included in Other Operating costs in the financial statements. Sport NI did not purchase any non-audit services from its external auditor.

12.0 Complaints Handling

Sport NI operates a complaints procedure to handle general complaints about our service. Complaints can be made informally by telephone or formally in writing.

Further information on the complaints procedure can be found on Sport NI website at: <http://www.sportni.net/wp-content/uploads/2023/12/Raising-a-Concern-Framework.pdf>



Richard Archibald
Accounting Officer
Sports Council for Northern Ireland

Date: 9 September 2024

ACCOUNTABILITY REPORT

Corporate Governance Report

Directors' Report

Board Members of Sport NI and Members of its Committees

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

Sport NI Board Membership

The following persons served as members during the financial year 2016-17:

Mr. G. Lucas – (Chair) (appointed February 2017)
Mr. J. Colville – (Vice-Chair) (appointed February 2017)
Mr. B. Delaney (Interim Chair) *
Dr. C. O'Mullan (Interim Vice-Chair) *
Ms. W. Erskine (Resigned August 2022)
Mr. K. Ferguson
Mr. K. Harding
Ms. C. McStravick (Resigned February 2018)
Ms. A. Bingham (Completed term March 2018)
Mr. R. Bullick
Ms J. Bryson (appointed February 2017, resigned January 2023)
Mr. D. Petticrew (appointed February 2017, resigned March 2022)
Ms. S. Weir (appointed February 2017, resigned May 2019)
Mr. M Glass (Co-opted August 2015, resigned April 2016)

* Mr. B. Henning and Mr. I. McAvoy resigned from their positions of Chair and Vice-Chair on the 31 March 2016. Mr. B. Delaney and Dr. C. O'Mullan were appointed to the positions of Chair and Vice-Chair on the same day. They stayed in post until the new Chair and Vice-Chair were appointed on 1 February 2017. Mr. G. Lucas and Mr. G. Boyd currently hold these positions respectively.

Board Directorships or Other Interests

Note 20 within the financial statements details any interests held by Sport NI Board Members. The register of interests can be seen at <http://www.sportni.net/about-us/register-of-interests>.

Audit and Risk Assurance Committee

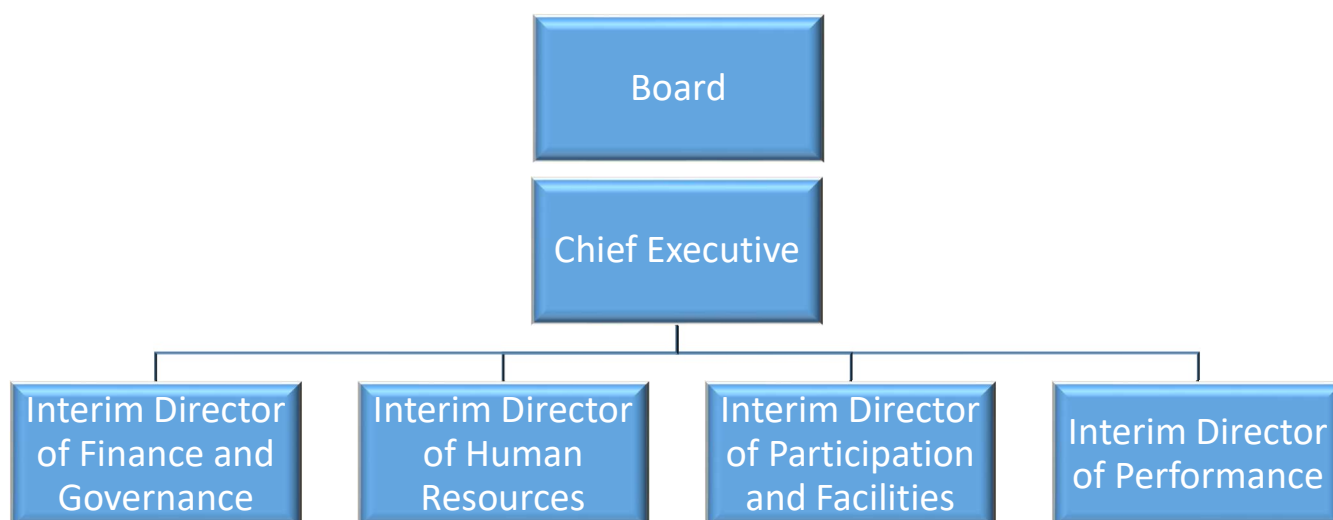
The members of the Committee during 2016-17 were:

Mr. K. Harding (Resigned December 2021)
Ms. C. McStravick (Resigned July 2017)
Ms. A. Bingham (Resigned July 2017)
Ms. K. Godfrey (co-optee) (Resigned July 2017)
Mr. D. Malcolm (co-optee) (Resigned July 2017)

Chief Executive

The Chief Executive, Antoinette McKeown, is the Accounting Officer and leads Sport NI supported by four executive directors heading each of the departments within the organisation. Further information on the Chief Executive is contained within the Governance Statement. Due to the unavailability of the Chief Executive at the time of signing an interim Chief Executive and Accounting Officer, Richard Archibald, was appointed by the Department for Communities (DfC).

Organisation Structure (2016-17)



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

An Interim Director of Human Resources was appointed from May 2016, as detailed in the Remuneration Report. The previous Director of Sports Management Services was replaced by an Interim Director of Finance and Governance.

Work on organisational restructuring due to begin under the “Pitch Perfect” Transformation Programme was impacted in 2015-16 by the absence of the Chief Executive. During 2016, a business case was submitted to the Department for Communities to address significant findings from a range of Interim Executive Leadership reports highlighting gaps in Sport NI’s governance, leadership, culture, policies, systems and processes. A transformation programme was led by the Interim Chief Executive however this did not include restructuring. Work on the restructuring programme resumed in 2019.

Personal Data Related Incidents

There was one known protected personal data-related incident during 2016-17 which resulted in a complaint to the Information Commissioner’s Office which found Sport NI to be non-compliant with legislative requirements. As part of the Transformation Programme, (outlined on page 23), Sport NI engaged with the Public Record Office and developed a remediation plan. An Information Governance Manager was appointed in April 2017 and they led on the implementation of an action plan to ensure compliance. This included:

- Appointment and training of SIRO and IAOs;
- Development of a SIRO and IAO handbook;
- Establishment of an Information Assurance Committee;
- Completion of an Information Asset Register; and
- Development of a revised Record Management Policy and Loss Handling Plan.

Two subject access requests were outstanding at March 2017. These related to sensitive matters and legal advice was sought in relation to progressing these requests and both have since been resolved.

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

Sport NI is required to prepare a statement of accounts for each financial year in the form directed by the Secretary of State for Culture, Media and Sport (DCMS) with the consent of the Department for Communities in Northern Ireland and the approval of HM Treasury in accordance with section 35(2) - (3) of the National Lottery etc. Act 1993 (as amended) and the Lottery Accounts Directions issued by the Department for Communities on behalf of the Department for Culture, Media and Sport (DCMS).

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Sport NI's Lottery Distribution Account and its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the accounts direction issued by the Department for Communities on behalf of the Secretary of State for the 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 financial statements; and
- Prepare the accounts on a going concern basis.

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

So far as, the Accounting Officer of Sport NI, is aware there is no relevant audit information of which Sport NI's auditors are unaware. Given issues relating to corporate memory, the Accounting Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that Sport NI's auditors are aware of that information.

I hereby confirm that the annual report and accounts as a whole are fair, balanced and understandable, and that I take personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable.

Governance Statement

1. Overview

The purpose of the Governance Statement is to explain what arrangements Sport NI has in place to identify, evaluate and manage the risks to the achievement of objectives. Sport NI's Governance Statement is informed by the corporate risk register, bi-annual and annual assurance statements to the Department for Communities, management reports and findings from third party reviews.

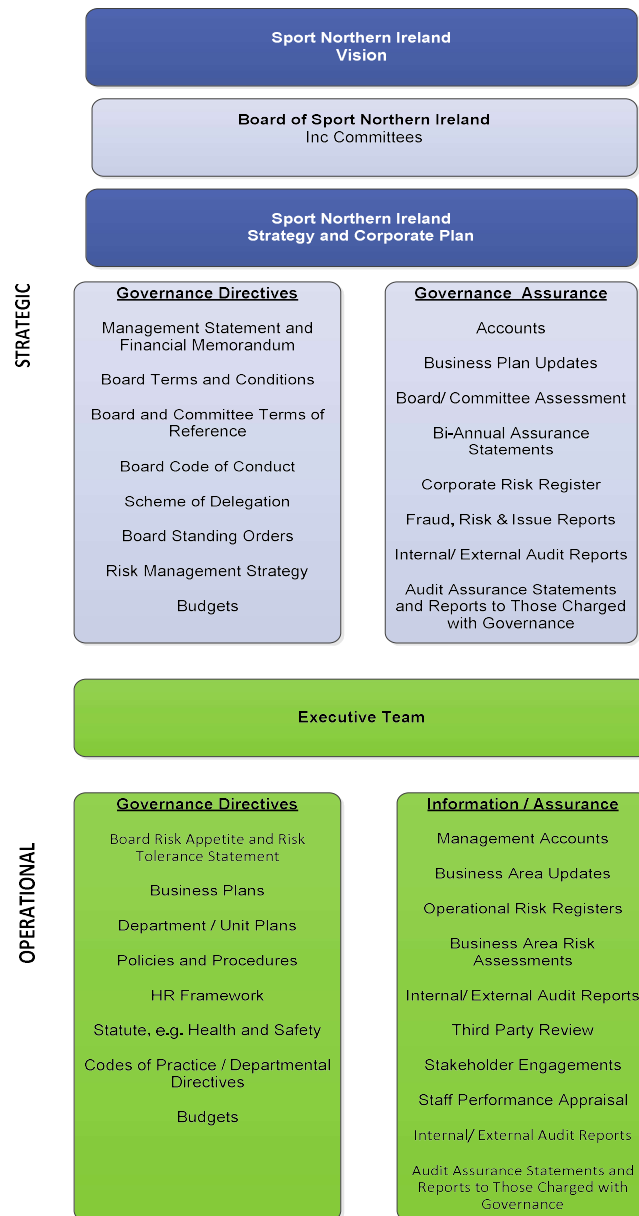
2. Compliance and Structure of Governance

The governance framework comprises the systems, processes, culture and values, by which Sport NI is directed and controlled and the activities through which it accounts to and engages with the public and other stakeholders. It enables Sport NI 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.

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 Sport NI'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.

Sport NI is publicly accountable to the Department for Communities, the Department for Culture Media and Sport (DCMS) and their Ministers for its performance and the use of its resources.

Sport NI's governance framework is predicated on the provisions laid out within its Management Statement and Financial Memorandum with its parent Department, the Department for Communities and 'Corporate Governance in Central Government Departments: Code of Good Practice NI 2013' ("the 2013 Code") as detailed below in figure 1.

Fig 1 Sport NI's Governance Framework

The key elements of the systems and processes that comprise Sport NI's governance arrangements are:

Vision, Purpose and Intended Outcomes

In delivering on its strategic objectives, Sport NI produces a five-year corporate plan and an annual business plan. The corporate plan is a forward-looking document linking the operational activities of Sport NI to its strategy.

Sport NI had a Corporate Plan for the period 2015-2020 and a current Plan covering the period 2020-2025. These plans adopted a Balanced Scorecard approach enabling the employment of an "outcomes-based" approach in support of the new Programme for Government 2016-21. Driving the plans was our vision at the time which was "Northern Ireland: renowned as a place where people enjoy, engage and excel in sport".

This vision was supported by our mission at that time 'to lead world class sports development at all levels producing more participants and more winners'. Sport NI sought to realise this vision through interventions that created Sporting Communities, identified and supported effective Sporting Clubs and resourced and celebrated Sporting Winners.

The plan was based on projections that we would have resources of £100.3m in place for the period 2015 to 2021. In administering these resources, Sport NI focused on the changes needed across Northern Ireland to provide people and athletes with the conditions they required to participate, perform and succeed in sport.

Accounting Officer Role

The Accounting Officer of Sport NI is personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of Sport NI.

The Accounting Officer exercises the following responsibilities:

- Establish, in agreement with the Department for Communities (DfC) and the Department for Culture, Media and Sport (DCMS), corporate and business plans in support of DfC's wider strategic aims and current Programme for Government objectives;
- Inform the Departments of Sport NI's progress in helping to achieve the Departments' policy objectives and in demonstrating the use of resources to achieve those objectives;
- Ensure timely forecasts and monitoring information on performance and finance are provided;
- 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 the Department of Finance, DfC or DCMS;
- 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 governing requirements 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 Sport NI 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 of Finance, DfC, or DCMS; and
- Ensure the existence of proper accounting records.

Board

The Board is the ultimate place for decision-making on new policy, strategic planning, budgets and organisational performance. These 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 Sport NI to aid the realisation of the policies and priorities of the Minister for Communities in Northern Ireland, the Northern Ireland Executive and the Minister for Culture, Media and Sport (DCMS).

Sport NI's Board met on 11 occasions during 2016-17 to discuss and consult on key strategic matters. Attendance by Board Members was 82% compared to 86% for the previous year. These included strategic planning, delivery of the Transformation Programme, budgeting, stewardship reporting, risk management and governance, advising on and overseeing key policies such as Governing Body recognition and performance review.

The Boards attendance during 2016-17 was as follows:

	Apr 2016	May 2016	Jun 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2017	Jan 2017	Feb 2017	Mar 2017
G Lucas*										✓	✓
J Colville*										✓	✓
B Delaney	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
C O'Mullan	✓	X	X	✓	X	✓	✓	✓	X	✓	✓
A Bingham	✓	X	X	✓	✓	✓	✓	✓	✓	✓	X
R Bullick	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
W Erskine	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	✓
K Harding	✓	X	X	✓	✓	✓	✓	✓	✓	✓	X
K Ferguson	✓	✓	✓	✓	✓	✓	X	X	✓	✓	✓
C McStravick	✓	✓	X	X	✓	✓	✓	✓	X	✓	X
D Petticrew*										✓	✓
J Bryson*										✓	✓
S Weir*										X	✓

*Appointed February 2017

Board Effectiveness

A Board self-effectiveness review was undertaken in early 2016 using the 2013 Code of Good Practice. This assessment demonstrated compliance with the 2013 Code and highlighted the need for Members to retain and build on their skills and experience. However, a range of reviews undertaken by the Interim Executive Leadership Team (IELT) reported contrary to this and raised significant comments in respect of Board skills and decision making on governance, leadership, objectivity, risk management and propriety in managing public monies. Members subsequently benefitted from training in governance and public accountability, financial reporting and the Nolan Principles. This training was delivered under the auspices of the Transformation Programme which was predicated on the work by the IELT (see "Risk Management" below). Current arrangements ensure that Board Members have access to any individual training they may require to manage risks associated with their responsibilities.

As a result of the Transformation Programme and the subsequent appointment of five new Members in February 2017, a self-assessment was not undertaken in 2016-17. These new appointments helped address skills and experience gaps identified in an earlier assessment of board skills.

A self-assessment was undertaken in March 2018. This covered the two year period from 1 April 2016 to 31 March 2018 and was formally reported to the Board on 13 June 2018. In February 2019, the self-assessment was reviewed, revised and resubmitted to the Department for Communities. This evaluation uses the National Audit Office checklist to provide an indication of compliance with Corporate Governance in central government departments: Code of good practice NI 2013 (DAO 06/13). Based on this evaluation and assurance work undertaken by Internal Audit, Sport NI met the requirements of the guidance.

The Board also took assurance from a Project Assessment Report (PAR) into the Transformation Programme undertaken by an independent team engaged by the Department of Finance in October 2017. The review provided an Amber / Green confidence assessment which highlighted that the majority of the 116 recommendations made by the Interim Executive Leadership Team had been completed with outstanding tasks having moved into business as usual. The review team also identified indicators of a healthy organisation.

The Board's role is to provide leadership of Sport NI within a framework of prudent and effective controls which enables risk to be assessed and managed. It functions to ensure that Sport NI acts in the public interest at all times and that its obligations to its stakeholders and others are understood and met.

The Board fulfils its accountability role by setting the Sport Council's strategic aims, assessing assurances that the necessary financial and human resources are in place to meet objectives and regularly reviewing and where necessary challenging organisational performance.

Critical to this accountability obligation is the availability of good quality and well-timed information. The positive conclusions of an Internal Audit review in 2016-17 into the quality of information provided to the Board has provided them with assurance that the requisite information is provided to them to support them in their strategic oversight of Sport NI.

Financial Expertise

Following the resignation on 31 March 2016 of the Vice-Chair, a qualified accountant, a skills assessment was carried out and it was established that there was a gap in recent and relevant financial expertise on the Audit and Risk Assurance Committee.

It is a requirement of the Audit and Risk Assurance Committee Handbook, that at least one member of the Audit and Risk Assurance Committee have recent and relevant financial experience sufficient to allow them to competently analyse the financial statements and understand good financial management disciplines.

The Committee was reconstituted in 2017 and now includes an independent member who is a qualified accountant.

Audit and Risk Assurance Committee

The Board is supported by an Audit and Risk Assurance Committee. This Committee met on five occasions during 2016-17. Attendance by Members was 84% compared to 63% for the previous year.

The Audit and Risk Assurance Committee's Terms of Reference require four members appointed by the Chair of the Board. During 2016-17, the Audit and Risk Assurance Committee comprised (in addition to its Chair) two substantive Board Members and two Senior Civil Servant co-optees. These co-optees completed their term in April 2017 and new appointments were made to the Committee from the Board.

The Audit and Risk Assurance 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.

Audit and Risk Assurance Committee attendance by members was as follows:

	May 2016	August 2016	October 2016	December 2016	February 2017
A Bingham	✓	✓	✓	✓	✓
K Harding	✓	✓	✓	✓	✓
C McStravick	X	X	✓	✓	X
K Godfrey (co-optee)	✓	✓	✓	✓	X
D Malcolm (co-optee)	X	✓	✓	✓	✓

The work of the Audit and Risk Assurance Committee during 2016-17 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 Bi-Annual assurance statements;
- Fraud and irregularity updates;
- Updates on new guidance and directives issued by the Department of Finance 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 Sport NI Lottery and Exchequer Accounts and supported the Board with its stewardship responsibilities;
- Considered the planning and timetable for accounts including Northern Ireland Audit Office audit strategies and advised the Board;
- Considered the financial position of Sport NI including the National Lottery Distribution Fund and advised the Board; and
- Considered and informed the Annual Governance Statement and advised the Board accordingly.

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 Assurance Committee.

Remuneration Committee

The Board is also supported by a Remuneration Committee. This 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 dismissal of the Chief Executive in November 2016, the Committee did not fulfil its functions as outlined within its Terms of Reference. Therefore, the committee did not meet in 2016-17 and the Chief Executive was not appraised. Senior Civil Servants occupied the position of Chief Executive on an interim basis during 2016-17. They were appraised by their Departmental line manager.

Executive Team

The Executive Team in 2016 consisted of four Interim Directors and the Interim Chief Executive who met monthly. It is responsible for the operational leadership of Sport NI in pursuance of the strategic objectives as defined by the Board.

Executive Team meetings during 2016-17 covered normal scheduled business with particular focus on finance, risk management and performance management. Relevant non-members were invited to attend for specific items over the course of the year.

During 2016-17, the Executive Team led on the Transformation Programme which has enhanced Sport NI's framework of governance and its ability to deliver on its strategic priorities.

Finance and Governance Committee

During 2016-17, Sport NI established an Executive Finance and Governance Committee. This Committee comprised the Interim Directors, was chaired by the Interim Chief Executive and its purpose was to support the Interim Chief Executive through active dialogue and reporting on matters pertaining to financial management, internal control, risk and governance. Specific aspects of the Committee's work included reviewing the deployment of financial resources, ensuring sound systems of control and risk, overseeing compliance and managing the dissemination of key information.

Human Resources Committee

During 2016-17, Sport NI established an Executive Human Resources Committee. This Committee comprised the Interim Directors and was chaired by the Interim Chief Executive and its purpose was to support the Executive in effective human resources oversight in the delivery of business priorities.

3. Business Planning, Risk Management and Assurance

Business Planning

At the heart of Sport NI is the provision of a service which improves participation and sporting performance in a value for money manner. To this end, Sport NI monitors business areas and associated performance indicators ensuring opportunities are fully exploited and strategic objectives met. This necessitates the establishment of corporate and operational performance reviews, baseline performance data, budgeting, resource allocation and the alignment of strategic objectives with relevant Sport Matters and Public Service Agreement Targets.

Risk Management

Sport NI assesses how the achievement of its policies, aims and objectives might be affected by the risks it faces, and a system of internal control is designed which mitigates those risks. The system is not designed to eliminate all risk but to strike a balance between control, cost of control and appropriate risk taking. A system of internal control was in place for the whole of 2016-17.

Sport NI's approach to risk management is guided by HM Treasury and other professional best practice taking full cognisance of the context and environment in which it operates. Sport NI has in place a risk management strategy which sets out roles and responsibilities and determines procedures for risk identification, monitoring, reporting and escalation of issues. It addresses risk appetite and tolerance across the breadth of business activities.

The Corporate Risk Register is compiled and managed by the Executive Team and facilitates the identification, assessment and ongoing monitoring of risks significant to Sport NI.

During 2016-17, the Corporate Risk Register was a standing item at each meeting of the Executive Finance and Governance Committee, the Audit and Risk Assurance Committee and the Board.

Areas of particular focus during 2016-17 were as follows:

Absence of Chief Executive

The Chief Executive of Sport NI was suspended in March 2015, dismissed in November 2016 and re-instated on 31 July 2017 on appeal and has remained in post. The Chief Executive lodged a case with the Fair Employment Tribunal. This case was settled prior to hearing. In the absence of the Chief Executive, the Department for Communities appointed interim Chief Executives and Accounting Officers, as detailed in the Remuneration Report.

Transformation Programme

In 2014-15 a number of concerns were raised regarding governance processes in Sport NI. During 2016-17, the Interim Chair led a Transformation Programme to address governance issues considered by Board in April 2016. An independent review completed by the Department for Communities' Head of Internal audit in October 2017 concluded a delivery confidence assessment of amber/green and made 6 key recommendations which were acted upon. A strategic review of governance was commenced in 2023 with further detail included on page 24.

Board Resignations

Nine board members resigned in 2015-16, including the chair and vicechair, following a Ministerial review of IELT reports. The Minister for Communities, (formerly Minister for Culture, Arts and Leisure) co-opted two senior civil servants to support the Board and appointed Mr. B Delaney and Dr. C O'Mullan to the position of Interim Chair and Interim Vice Chair respectively until permanent appointments were made on 1 February 2017.

Delay in the Publication of the Annual Report and Accounts

For a period, the publication of Sport NI's financial statements were 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, 2018-19, 2019-20, 2021-22 and 2022-23 financial statements were in a position of backlog. Sport NI subsequently agreed a timeframe with the Northern Ireland Audit Office (NIAO), for completing the remaining outstanding Lottery Annual Reports. This work remains a priority for the organisation and when completed will see a return to a regularised position with regard to publication of Sport NI's Lottery Annual Reports. The backlog of Lottery Accounts remains and the audit of 2015-16 and 2016-17 accounts took place during the 2023-24 financial year.

Sport NI undertook an extensive review, as requested by the Permanent Secretary, of the reasons why this backlog has occurred to ensure that future financial statements are both of a high quality and submitted on a timely basis. A final "Lessons Learnt" was submitted to the Department for Communities and the NIAO in June 2019, following board endorsement. The review found a range of complex and inter-related issues impacting the annual accounts being published, which were exacerbated by the 2014-15 accounts not being submitted initially, creating a "knock-on" effect. Principal reasons for the delays included the following;

- Governance issues within Sport NI from March 2015 to July 2017 (Northern Ireland Audit Office prepared a separate report on these matters);
- A lack of expertise, in Sport NI 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;
- Northern Ireland Audit Office giving priority to other audits as Sport NI failed to meet the audit timetable; and,
- Difficulties faced by Sports Council in being able to provide documentation to support figures relating to Grants payable and decommitments. This was due to the passage of time and the way in which the grant recording system was used historically. In order to enable the backlog to be cleared, the 2015-16 accounts were adjusted to ensure that the closing payables figure £9,906,695 matches the grant recording system. This adjustment has ensured that 2016-17 and future years' accounts can be agreed back to the underlying records.

Voluntary Exit Scheme

During 2016-17, 16 members of staff left under the Voluntary Exit Scheme (VES). While staff exit is subject to careful management and planning, this does impact the organisation not only in terms of reassigning tasks but also the loss of knowledge and experience built up over many years. The Executive Team with oversight and concurrence of the Board will be leading on future exit initiatives.

Information Governance

As part of the Transformation Programme, self-assessment using the National Archives records management self-assessment tool, demonstrated that Sport NI's systems and procedures were not compliant with the Lord Chancellor's Code of Good Practice for Information Management issued under section 46 of the Freedom of Information Act 2000. Sport NI engaged with the Public Record Office and developed a remediation plan.

An Information Governance Manager was appointed as of 27 April 2017. They led on the implementation of an action plan to ensure compliance with the Lord Chancellor's Code of Good Practice in Records Management issued under section 46 of the Freedom of Information Act 2000 and readiness for the introduction of the General Data Protection Legislation in 2018.

Evaluating the Impact on Resources

Sport NI recognised that during the 2014-15, 2015-16 and 2016-17 years, it incurred significant expenditure which could not be deemed to reflect good value for public money. The Northern Ireland Audit Office published a separate report on this matter in 2020.

Fraud

There were no incidents of fraud to report in 2016-17.

4. Governance and Accountability within Arm's Length Bodies

Sport NI is an arm's length body of the Department for Communities. The Accounting Officer is accountable to the Department for Communities for the effective and compliant deployment of financial resources.

The business operations of Sport NI are governed by a Management Statement and Financial Memorandum which defines the relationship between the Department for Communities and Sport NI, and articulates the financial and administrative framework within which Sport NI operates. This document was revised in 2016 to reflect the change in name of the Department for Communities, and is currently subject to internal departmental review.

Accountability is embedded into the governance framework of Sport NI. Accountability arrangements also include regular reporting to the Department for Communities and Department for Culture, Media and Sport and completion of Stewardship reports which inform quarterly accountability meetings with senior departmental officials.

5. Internal Audit

The achievement of strategic objectives is predicated on good governance, sound systems of internal control and risk management and timely assurance. Timely and meaningful assurance provides confidence that opportunities are being exploited and risks are being managed in order that strategic priorities can be delivered in an efficient and effective manner.

Internal audit function is a key line of defence and assurance. 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.

Internal Audit provided an independent opinion on the adequacy and effectiveness of Sport NI's system of internal control, corporate governance and risk management, together with recommendations for improvement. Internal Audit made a total of 29 recommendations. Management agreed appropriate actions to address these recommendations and progress was subject to regular review by the Audit and Risk Assurance Committee and the Department as part of its quarterly accountability meetings.

Sport NI outsources its internal audit function. During 2016-17, Deloitte were the internal auditors until August 2016. From October 2016, KPMG were appointed by the Audit and Risk Assurance Committee to carry out the audit plan which the committee had approved. The internal auditor attended four meetings of the Audit and Risk Assurance Committee during 2016-17.

During the year internal audit completed eight reviews. These covered Cash Management, Financial Management, Grant Funding, Procurement, Management of Third Parties, Health and Safety, Use of GIFTS (Grant management system) and Information to the Board. All reviews concluded with a satisfactory opinion except for the reviews of Procurement and Use of GIFTS (Grant management system) which concluded with a limited opinion. Management put in place actions to address the weaknesses identified.

With regards to Procurement, control improvements have seen the level of assurance provided by Internal Audit in relation to this area, increase in subsequent reviews.

6. External Audit

The National Audit Office (NAO) is the appointed external auditor of the financial statements of the Lottery Account. Their function is to audit and report on the financial statements to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of regularity, the accounting policies, significant accounting estimates and identifying any material inconsistencies in the Annual Report with the audited financial statements. The Northern Ireland Audit Office (NIAO) complete the audit on behalf of NAO.

As a result of the issues outlined in the risk management section of the Governance Statement, there has been a delay in the publication of Sport NI's Lottery Annual Report and Accounts which has meant that NIAO has been unable to complete its audit until June 2024. The expected timetable for completion of the audit of remaining backlog financial statements is during the 2026-27 financial year.

7. Review of Effectiveness of Internal Governance

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. This review is informed by the work of the Internal Auditor, the Northern Ireland Audit Office, the Executive Team, the Executive Committee and the Audit and Risk Assurance Committee.

Key risks which could affect the achievement of Sport NI's objectives are managed actively under the risk management arrangements described above, with progress being reported regularly to the Audit and Risk Assurance Committee.

Sport NI recognised that additional work and investment were required to bring the organisation's information systems up to date to enhance management information informing strategic decision-making.

8. Internal Control Weaknesses

Delivery of the Transformation Programme

During 2016-17, new management arrangements were introduced which worked towards compliance with the high standards of governance and public accountability that were required to take the organisation forward.

This was predicated on the work by the Interim Executive Leadership Team which was established by the then Minister for Communities. The Team led on a review of Sport NI subsequent to which a series of recommendations were presented which the Board took forward through a Transformation Programme.

The Transformation Programme gave rise to a significant body of work, which changed the way that Sport NI operated, for example, On-Boarding to IT Assist, exploration of On-Boarding to Account NI and systematic improvements to governance, risk management and internal control. Through the Transformation Programme, for example, Sport NI put in place a suite of HR Policies that reflected best practice and revised the procurement policy, procedures and practices. In addition, Sport NI ensured that there are now robust whistleblowing and raising concern policies in place and established an Internal Communications Strategy.

An independent review into the delivery of the Transformation Programme provided a conclusion confident assessment of amber/green and stated that staff had an appetite for more radical change. Sport NI actively progressed the outworking of the Transformation Programme with a clear route map for changes which embedded new practices and developed further work on culture change, leadership skills and organisational restructuring.

Work continued under the aegis of the Transformation Programme for several years and Sport NI embedded the enhancements to governance arrangements which helped foster improved stakeholder confidence.

9. Emerging Issues

Challenges outlined in the Risk Management section above continued to carry risks which required active management. In particular the dismissal of the Chief Executive and associated legal challenge, completion of outstanding annual accounts and implementation of new strategic investment programmes.

Sport NI was mindful that challenges lay ahead that would influence how it delivered on its objectives. Key challenges included:

Arm's Length Bodies review

The Department for Communities commenced a review of all its arms-length bodies which has not been completed due to the dissolution of the Assembly. Any subsequent decision arising from the review will require approval by the Minister.

Departmental Strategic Review

The Department for Communities has employed Deloitte to conduct a strategic review of Sport NI to identify and understand the cause of the governance and control issues, with a focus on the roles and responsibilities of the Sport NI Board and Executive Leadership Team (ELT). A draft report was provided to the Department in May 2024 for consideration.

Comptroller and Auditor General for Northern Ireland Report

The Comptroller and Auditor General for Northern Ireland recently reported on the Sport NI Exchequer Account for the year ended 31 March 2023 (<http://www.sportni.net/wp-content/uploads/2014/01/Sport-NI-Annual-Report-Accounts-2022-23.pdf>).

Whilst an unqualified audit opinion on both the regularity and the true and fair state of the financial statements was provided, the Comptroller and Auditor General highlighted a number of concerns about the governance of Sport NI along with a recognition that significant steps are already underway within the organisation to address these concerns.

10. Conclusion

Given the unavailability of the Chief Executive, this statement has been signed by both the Accounting Officer and the Chair of Sport NI Board.



Richard Archibald
Accounting Officer
Sports Council for Northern Ireland

Date: 9 September 2024



George Lucas
Chair
Sports Council for Northern Ireland

Date: 9 September 2024

Remuneration and Staff Report

1.0 Remuneration Report

1.1 Remuneration Policy

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have eight points) to allow progression through the pay scales within a reasonable timescale.

Within Sport NI, the Chief Executive is normally employed on terms analogous to Senior Civil Service Grade 5. Following the implementation of the agreed salary for the Chief Executive, the pay remits for 2014-15 to 2016-17 for the Chief Executive were approved by the Department of Finance and paid in 2022-23. All other senior staff positions above Deputy Principal follow the NICS pay and grading spine policy.

The Remuneration Committee is responsible for approving the Chief Executive's salary and assessing performance. The Chief Executive assesses the performance of Directors.

1.2 Service Contracts

Sport NI 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) would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org. Policy relating to notice periods and termination payments is contained in Sport NI Staff Handbook and individual Terms and Conditions of Employment.

1.3 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.

1.4 Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There is a PAYE Settlement Agreement in place which covers the payment of tax and NIC in respect of all luncheon vouchers paid to staff; and Income Tax and Class 1B National Insurance Contributions for travel and subsistence expenses of part time office holders.

1.5 Remuneration (including Salary) and Pension Entitlements – Senior Staff (Audited Information)

The following section provides details of the Remuneration (including salary) and pension entitlements of the Chief Executive and Directors of Sport NI.

	2016-17					2015-16				
Employee	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (To nearest £1,000)* £'000	Total £'000	Salary £'000	Bonus £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £1,000)* £'000	Total £'000
Antoinette McKeown Chief Executive***	†100-105 (85-90 full year equivalent)	-	200	27	125-130	80-85	-	200	27	110-115
Arthur Scott Interim Chief Executive** (from 15 July 2015 to 30 April 2016)	5-10 (70-75 full year equivalent)	-	-	(5)	0-5	-	-	-	-	-
Maggie Smith Interim Chief Executive** (from 1 May 2016 to 31 March 2017)	65-70 (70-75 full year equivalent)	-	-	18	80-85	-	-	-	-	-
Christine Kerr Interim Director of Human Resources** (from 16 May 2016)	40-45 (45-50 full year equivalent)	-	-	13	55-60	-	-	-	-	-
Nick Harkness Director of Participation (Career break 17 October 2016 to vacated post 28 February 2017)	†40-45 (65-70 full year equivalent)	-	100	-	40-45	65-70	-	200	37	100-105
Shaun Ogle Director of Performance	65-70	-	200	10	75-80	65-70	-	200	34	100-105

Sports Council for Northern Ireland Lottery Distribution Account 2016-17

	2016-17					2015-16				
Andrew Sloan Director of Sports Management Services (Until 28 February 2017)	†60-65 (65-70 full year equivalent)	-	100	13	75-80	65-70	-	200	29	95-100
John News Acting Director of Participation (From 18 May 2016)	50-55 (55-60 full year equivalent)	-	200	48	95-100	-	-	-	-	-
Emma Bohill Transformation Facilitator (Until 11 November 2015)	-	-	-	-	-	30-35 (45-50 full year equivalent)	-	-	12	40-45
Leigh Brown Acting Director of Finance and Governance (From 18 May 2016)	50-55 (55-60 full year equivalent)	-	200	40	90-95	-	-	-	-	-

†Includes holiday pay arrears from previous financial years of £15k, £5k and £2k for A McKeown, N Harkness and A Sloan respectively.

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

**During 2016-17 there were three Interim Senior Staff seconded to Sport NI. Salary details disclosed relate to charges invoiced by their employer (excluding VAT). Details of the Interim Chief Executives' remuneration and pension can be obtained from Department for Culture, Arts and Leisure's 2015-16 Annual Report and Accounts (2016-17, Maggie Smith & 2015-16, Arthur Scott)

*** Please refer to the Governance Statement for further details.

Fair Pay Disclosures	2016-17 to nearest £'000	2015-16 to nearest £'000
Range of Salaries	0 - 85	5 – 85
Band of Highest Paid Director's Total Remuneration*	85 - 90	80 - 85
Median Total Remuneration	29,491	29,783
Ratio	3.0	2.8

*Excludes holiday pay.

1.6 Median Remuneration (Audited Information)

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

The banded remuneration of the highest-paid director in Sport NI in 2016-17 was £85,000 – £90,000 (2015-16: £80,000 - £85,000). This was 3.0 times (2015-16: 2.8) the median remuneration of the workforce, which was £29,491 (2015-16: £29,783).

In 2016-17, 0 (2015-16: 2) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £nil to £85k (2015-16: £5k-£85k). The lowest salary paid is in respect of Instructor Development Programme student remuneration.

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

The ratio is calculated based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date as follows:

$$\frac{\text{Midpoint in highest paid director's pay band}}{\text{Median remuneration of Sport NI's staff}}$$

1.7 Board Members' Honoraria (Audited Information)

The Interim Chair received honorarium totalling £8,360, and Chair received £4,480 (2015-16: £10,000). The Interim Vice-Chair received £2,926 and Vice Chair received £583 (2015-16: £3,500). These costs are included in Sport NI Exchequer Account. Board Member's honoraria was not directly recharged to Sport NI Lottery Account during 2016-17.

A pension contribution of £667 was made for the Interim Chair as a result of new auto enrolment legislation. No contributions were made for the Vice Chair as they did not meet the relevant criteria for auto enrolment. No emoluments were paid to Sport NI Board members in respect of Lottery activities.

All Board Members are recompensed for their vouched expenses incurred in carrying out their duties.

1.8 Bonuses (Audited Information)

No bonus payments for performance were made in 2016-17 (2015-16: NIL).

1.9 Exit Packages (Audited Information)

During 2016-17, two Directors exited via Sport NI's voluntary exit scheme (2015-16: NIL). The details of exit packages for all staff members during the period, including Directors are detailed in section 9.0.

1.10 Sport NI Pensions

Sport NI participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 128 employees. All assets, liabilities and operating costs relating to the pension scheme are processed through Sport NI Exchequer Account. A recharge is made to Sport NI Lottery Account for any pension costs incurred on its behalf. During the year 27 staff were recharged to Sport NI Lottery Account.

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 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 2016-17 the rates were as follows:

Band	Range	Contribution Rate
1	£0 - £14,000	5.5%
2	£14,001 - £21,300	5.8%
3	£21,301 - £35,600	6.5%
4	£35,601 - £43,000	6.8%
5	£43,001 - £85,000	8.5%
6	>£85,000	10.5%

The employer contribution rate for 2016-17 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 in Sport NI Exchequer Account.

Seconded are members of the PCS(SNI), further details of the scheme can be found at <https://www.finance-ni.gov.uk/publications/civil-service-pensions-information>.

Pension Entitlements (Audited Information)

Employee	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
	£'000s	£'000s	£'000s	£'000s	£'000s
Antoinette McKeown Chief Executive	5-10 plus Nil lump sum	0-2.5 plus Nil lump sum	64	44	12
Arthur Scott* Interim Chief Executive	35-40 plus 110-115 lump sum	(0-2.5) plus (0-2.5) lump sum	820	824	(5)
Maggie Smith* Interim Chief Executive	20-25 plus 60-65 lump sum	0-2.5 plus 2.5-5 lump sum	532	493	17
Christine Kerr* Interim Director of Human Resources	15-20 plus 45-50 lump sum	0-2.5 plus (0-2.5) lump sum	334	315	4
Nick Harkness Director of Participation (career break 17 October 2016 to vacated) (vacated post 28 February 2016)	25-30 plus 60-65 lump sum	0-2.5 plus (0-2.5) lump sum	516	500	9
Shaun Ogle Director of Performance	25-30 plus 55-60 lump sum	0-2.5 plus (0-2.5) lump sum	547	519	17
Andrew Sloan Director of Sports Management Services (vacated post 28 February 2017)	15-20 plus 25-30 lump sum	0-2.5 plus (0-2.5) lump sum	278	260	11
John News Acting Director of Participation (Appointed 18 May 2016)	15-20 plus 25-30 lump sum	0-2.5 plus 2.5-5 lump sum	229	191	37
Leigh Brown Acting Director of Finance and Governance (appointed 18 May 2016)	10-15 plus 15-20 lump sum	0-2.5 plus 0-2.5 lump sum	156	133	21

1.11 Cash Equivalent Transfer Values

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

1.12 Real increase in CETV

This is the increase in accrued pension due to the organisation's contributions to the AMPS, and excludes increases due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and is calculated using valuation factors for the start and end of the period.

2.0 Staff Report

2.1 Number of Directors (Audited Information)

Director's Salary (FTE)	2016-17	2015-16
£45,000-£50,000	1	1
£50,000-£55,000		
£55,000-£60,000	2	
£60,000-£65,000		
£65,000-£70,000	3	3
£70,000-£75,000	2	
£75,000-£80,000		
£80,000-£85,000		1
£85,000-£90,000	1	
£90,000-£95,000		
£95,000-£100,000		
£100,000-£105,000		
£105,000-£110,000		
Total Number of Directors	9	5

The table above includes temporary secondments to Sport NI

2.2 Staff Numbers and Costs (Audited Information)

(a) Staff Costs

The following costs relate to recharges from Sport NI Exchequer Account to Sport NI Lottery Account.

	Permanently Employed Staff 2016-17 £	Others 2016-17 £	Total 2016-17 £	Total 2015-16 £
Wages & Salaries	870,241	-	870,241	849,313
Pension Costs	176,268	-	176,268	171,000
Social Security Costs	83,862	-	83,862	59,478
Temporary Staff	-	25,383	25,383	-
Total Staff Costs	1,130,371	25,383	1,155,754	1,079,791

(b) Average Number of Persons Employed (Audited Information)

Sport NI

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

		2016-17		2015-16
	Permanently Employed Staff	Others	Total	Total
Directly employed	102	8	110	130
Agency/Secondment	-	13	13	4
Total	102	21	123	134

All staff were employed by Sport NI and the proportion in relation to Sport NI Lottery Account is based on percentage of Officers time spent on Sport NI Lottery Account activities.

Sport NI Lottery Account

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

Number	2016-17 Others	Total	2015-16 Total
Directly employed	27	27	26
Agency staff	-	-	-
Total	27	27	26

2.3 Chief Executive's Remuneration (Audited Information)

The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme. There has been no direct recharge of the Chief Executive's salary to the Lottery Account.

3.0 Pension Costs and Commitments

Sport NI 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 funded, defined benefit scheme.

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

Details of the pension scheme are available within Sport NI Exchequer Account. There have been no payments for civil service and other compensation schemes.

4.0 Staff Composition (Audited Information)

The actual composition of staff employed by Sport NI at 31 March was as follows:

	Male Directors	Male Employees	Female Directors	Female Employees
2016-17				
Payroll	3	51	1	55
Board*	-	-	-	-
Agency/Secondments	0	8	2	13
Total	3	59	3	68

	Male Directors	Male Employees	Female Directors	Female Employees
2015-16				
Payroll	4	63	1	62
Board*	-	-	-	-
Agency	-	5	1	3
Total	4	68	2	65

*Board Members are employed by Department for Communities. The Chair and Vice Chair are the only Members to receive honorarium from Sport NI.

5.0 Sickness Absence Data

The number of sick days reported in 2016-17 was 1,419 (31 March 2016: 1,507). Sport NI had an average of 12.23 days absence per full time equivalent person in 2016-17 (31 March 2016: 10.84 days). This was due to there being an increase in long-term sickness absence in 2016-17. This was managed in line with the Absence Management Policy.

6.0 Staff Policies Applied During the Financial Year

6.1 Employee Consultation

On matters of policy and procedure, which affect the employees of Sport NI, the Board 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.

During 2016-17 Sport NI revised a number of new staff policies in consultation with NIPSA. These policies included:

- Grievance Policy;
- Disciplinary Policy;
- Uniform Appeals Policy;
- Dignity at work Policy;
- Sick Absence Policy;
- Inefficiency Absence Policy;
- Inefficiency Performance Policy; and
- Equal Diversity and Inclusion Policy.

6.2 Equality of Opportunity

Sport NI 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 including sexual orientation. An equal opportunities policy has been in place since March 2004 and was last reviewed in July 2016.

6.3 Employees with a Disability

Sport NI 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.

6.4 Health and Safety

Sport NI is committed to providing staff with an environment that is as far as possible, safe and free from risk to health. In accordance with this commitment, Sport NI has complied with relevant legislation.

7.0 Expenditure on Consultancy

Sport NI Lottery Account did not incur any direct consultancy costs. Consultancy costs for the actuary report were incurred by Sport NI Exchequer and were included in the costs recharged.

8.0 Off Payroll Engagements

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, departments and their arm's length bodies must publish information on any highly paid and/or senior off-payroll engagements as at 31 March 2017, for more than £220 per day and that last longer than six months. Sport NI had one such 'off-payroll' engagements in 2016-17 in respect of M. Smith, for which the costs were £108,590 including £18,098 VAT (2015-16: £Nil).

9.0 Core Exit Packages (Audited Information)

	2016-17			2015-16
Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Costs Band	Total Number of Exit Packages by Costs Band
< £10,000	-	1	1	2
£10,000- £25,000	-	5	5	4
£25,000-£50,000	-	4	4	3
£50,000- £100,000	-	4	4	-
£100,000 - £150,000	-	1	1	-
£150,000 - £200,000	-	1	1	-
Total Number of Exit Packages	-	16	16	9
Total Resource Cost	-	£827,782	£827,782	£196,803

Redundancy and other departure costs have been paid in accordance with the provisions of Sport NI's Voluntary Exit Scheme. During 2016-17, 16 staff left under the scheme (2015-16: 9). Payments to these staff were wholly funded through the Public Sector Transformation Fund. Exit costs are accounted for in full in the year of departure. Exit costs were fully processed through Sport NI Exchequer Account with the same amount received from government funding provided by the Department for Communities. If the exit costs had been recharged to Sport NI Lottery Account in line with other salary costs, nil would have been charged (2015-16: £Nil).

Included within the staff leaving under the Voluntary Exit Scheme were two directors, Andrew Sloan and Nick Harkness. The value of the payments made under the scheme for these members of staff were £83,184 and £115,887 respectively.



Richard Archibald
Accounting Officer
Sports Council for Northern Ireland

Date: 9 September 2024

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Parliamentary Accountability Disclosure Notes (Audited Information)

Introduction

The Parliamentary Accountability Report provides details of losses and special payments, fees and charges and remote contingent liabilities.

1. Losses and Special Payments

This section is subject to audit.

There were no losses or special payments during the year which required disclosure in Sport NI Lottery Account (2015-16: Nil).

2. Fees & Charges

This section is subject to audit.

There were no fees or charges during the year which required disclosure in Sport NI Lottery Account (2015-16: Nil).

3. Remote Contingent Liabilities

This section is subject to audit.

There were no remote contingent liabilities during the year which required disclosure in Sport NI Lottery Account (2015-16: Nil).



Richard Archibald
Accounting Officer
Sports Council for Northern Ireland

Date: 9 September 2024

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 for Northern Ireland Lottery Distribution Account for the year ended 31 March 2017 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Income, 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 and Staff Report and the Parliamentary Accountability disclosures that are 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). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sports Council for 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 for 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 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.

Basis for qualified opinion on financial statements

I have qualified my opinion on the financial statements in the following respects:

I am unable to obtain sufficient appropriate audit evidence that the grant de-commitments for the year ended 31 March 2016 of £142,094 and the grants payable balance as at 1 April 2015 of £13,365,736 disclosed in note 13 Grants Payable, are free from material misstatement.

The Sports Council of Northern Ireland were unable to provide all the evidence I needed to audit grant de-commitments for the year ended 31 March 2016 and the grants payable balance as at 1 April 2015, and decided not to make further efforts to obtain the necessary information. This is a limitation imposed by management on my audit, which led me to limit the scope of my audit opinion on the financial statements for the year ended 31 March 2016. I have also limited the scope of my audit opinion on the financial statements for the year ended 31 March 2017 because of the possible effect of this matter on the comparability of the current year's grant de-commitments and grants payable balance to the corresponding figures.

My report on pages 39-40 includes further details of the matters leading to my qualified opinion.

Qualified opinion on financial statements

In my opinion, except for the possible effects on the corresponding figures of the matters described in the basis for qualified opinion paragraph:

- the financial statements give a true and fair view of the state of the Sports Council for Northern Ireland Lottery Distribution Account's affairs as at 31 March 2017 and of the net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State's directions issued thereunder with the approval of HM Treasury.

Opinion on other matters

In my opinion:

- the part of the Remuneration and Staff Report and the Parliamentary Accountability Disclosures to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc. Act 1993; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In respect solely of the limitation of scope on my work relating to grant de-commitments for the year ended 31 March 2016 and the grants payable balance as at 1 April 2015 disclosed in note 13 Grants Payable, as described in the basis of qualified opinion paragraph above:

- I have not received all of the information and explanations I require for my audit; and
- adequate accounting records have not been kept.

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

- the information given in the Annual Report is not consistent with the financial statements and with information obtained during the course of the audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

10 September 2024

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Delays in certifying the accounts

1. It is very unusual for there to be such a delay in certifying a set of accounts. The certification of the 2016-17 Sports Council for Northern Ireland (SCNI) Lottery Distribution Accounts has been impacted by the delay to the certification of the 2014-15 and 2015-16 accounts. I included a report on the 2014-15 and 2015-16 accounts setting out the reasons for the delay, the knock-on impact on the timing of the certification of subsequent accounts, and the actions SCNI is taking to ensure it has the appropriate expertise to prepare financial statements which are both high quality and delivered on a timely basis.
2. Following the certification of the 2015-16 accounts, except for the matters relating to the limitation of scope of my audit opinion, the 2016-17 accounts have been prepared in line with my expectations in respect of quality.

Grant records

3. SCNI uses lottery funding to make grants for sports (which is a designated good cause under the National Lottery etc. Act 1993). SCNI's principal objectives are to increase participation in sport and physical activity by people living in Northern Ireland and to enable high performance athletes and teams to maximise their sporting potential.
4. The corresponding figures within the Statement of Comprehensive Income and note 13 to the financial statements reports £142,094 of negative expenditure for grant de-commitments for the year ended 31 March 2016. The corresponding figures within the Statement of Financial Position and note 13 to the financial statements reports £9,906,695 grants payable at 31 March 2016 and £13,365,736 at 1 April 2015. The values reported are the same as the figures reported in the 2015-16 accounts. The grant de-commitments for the year ended 31 March 2016 represent previously made grants, recorded in expenditure in 2015-16 and previous years' financial statements, that have not been taken up by grant recipients. The grants payable balance represents grants awarded, where the award is free from any conditions under SCNI's control, and the grant has not been paid by SCNI by the 31 March.
5. My audit approach is designed to obtain sufficient assurance that accounts are free from material error. I planned my audit to achieve this through sample testing of account areas.

Impact upon my audit opinion on the 2015-16 accounts

6. I included a report on the 2015-16 accounts setting out that I had qualified my audit opinion, because I was unable to obtain sufficient appropriate audit evidence that the grant de-commitments in 2015-16 recorded in the Statement of Comprehensive Income, the grants payable balance as at 31 March 2016 recorded in the Statement of Financial Position, and the disclosures made in note 16 Grants Payable to the 2015-16 financial statements, were free from material misstatement.
7. My report on the 2015-16 accounts set out that SCNI had identified uncertainties and possible material error in grant de-commitments and grants payable balances when reviewing the 2015-16 financial statements prior to their submission for audit during 2021-22. SCNI began to investigate this further but did not complete this work before I certified and reported on the 2015-16 accounts. The SCNI grant recording system was no longer able to reliably report grants de-committed and grant payables balances disclosed in the 2015-16 financial statements. Management decided not to attempt to manually reconstruct a list of grants decommitted in year and grants payables from other dated records before I certified the 2015-16 accounts.
8. The SCNI's decisions not to make further efforts to provide all the evidence I needed to audit grant de-commitments in 2015-16, the grants payable balance as at 31 March 2016, and the disclosures made in note 16 Grants Payable to the 2015-16 financial statements was a limitation imposed by management on my audit, leading me to limit the scope of my audit opinion on the 2015-16 accounts.

Qualified audit opinion on the 2016-17 accounts

9. I have limited the scope of my audit opinion on the financial statements for the year ended 31 March 2017 because of the possible effect of the matters set out in paragraphs 6 to 8 on the comparability of the current year's grant de-commitments and grants payable balance to the following corresponding figures disclosed in note 13 Grants Payable:
 - grant de-commitments for the year ended 31 March 2016 of £142,094; and
 - the grants payable balance as at 1 April 2015 of £13,365,736.
10. I have not qualified my audit opinion on grant de-commitments for the year ended 31 March 2017 recorded in the Statement of Comprehensive Income, or the grants payable balances as at 31 March 2017 and 31 March 2016 recorded in the Statement of Financial Position, or the current year disclosures made in note 13 Grants Payable.
11. During my audit of the 2016-17 accounts, management provided a reliable list of grants committed, decommitted, payments made in 2016-17 and grants payables balance as at 31 March 2017. Through my audit work on each of these constituent parts I was able to obtain sufficient assurance that these figures as well as the grants payable balance at 31 March 2016 are free from material error.
12. I am working with SCNI to finalise my audits of the subsequent accounts. I set out in my report on the 2015-16 accounts that SCNI should have more reliable information within its grant recording system for grants awarded from 2016-17 onwards. Except for the possible effects on the corresponding figures from the matters described in paragraphs 6 to 8, SCNI have been able to present 2016-17 accounts that are free from material error. SCNI should continue work to confirm the grants payable balance at each year-end subsequent to 31 March 2017 and finalise the annual reports and accounts for each year.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
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SW1W 9SP

10 September 2024

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the year ended 31 March 2017

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

	Note	2016-17 £	2015-16 £
Income from Activities	4a	8,503,321	10,042,099
Other Income	4b	201,419	124
Total Operating Income		8,704,740	10,042,223
Staff Costs	3	(1,155,754)	(1,079,791)
New Grants Made in Year	13	(3,995,210)	(3,740,833)
Grants De-Committed in Year	13	995,285	142,094
Other Operating Expenditure	3	(679,547)	(580,664)
Total Operating Expenditure		(4,835,226)	(5,259,194)
Net Income for the Year		3,869,514	4,783,029
Other Comprehensive Net Income			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of Property, Plant and Equipment	5	91	29
Net gain on revaluation of Intangible Assets	6	-	9
Comprehensive Net Income for the year		3,869,605	4,783,067

The notes on pages 45 to 544 form part of these accounts.

Statement of Financial Position as at 31 March 2017

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

	Notes	2016-17 £	2015-16 £
Non-current assets:			
Property, plant and equipment	5	-	1,299
Intangible assets	6	-	-
Total non-current assets		-	1,299
Current assets:			
Investments - balance held in NLDF	8	15,152,649	15,887,145
Trade and other receivables	11	32,071	3,235
Cash and cash equivalents	10	413,238	718,921
Total current assets		15,597,958	16,609,301
Total assets		15,597,958	16,610,600
Current liabilities:			
Trade and other payables	12	(430,461)	(287,342)
Grants payable	13	(4,881,329)	(9,837,195)
Total current liabilities		(5,311,790)	(10,124,537)
Non- Current liabilities:			
Grants payable	13	-	(69,500)
Total Non-current liabilities		-	(69,500)
Total assets less total liabilities		10,286,168	6,416,563
Equity and other reserves:			
General reserve		10,172,655	6,302,804
Revaluation reserve		113,513	113,759
Total equity		10,286,168	6,416,563

The financial statements on pages 41 to 44 were approved by the Board on 9 September 2024 and were signed on its behalf by:



Richard Archibald
Accounting Officer
Sports Council for Northern Ireland

Date: 9 September 2024

The notes on pages 45 to 54 form part of these accounts.

Statement of Cash Flow for the year ended 31 March 2017

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

	Note	2016-17 £	2015-16 £
Cash flows from operating activities			
Net operating income		3,869,514	4,783,029
Adjustments for non-cash transactions	3	1,390	2,500
(Increase)/Decrease in trade and other receivables	11	(28,836)	8,251
(Decrease)/Increase in payables < 1 year	12	(4,882,247)	(455,570)
(Decrease)/Increase in payables > 1 year		-	(3,117,000)
(Increase)/Decrease in balance held at NLDF	8	734,496	(1,151,063)
Net cash (outflow)/ inflow from operating activities		(305,683)	70,147
 Net (decrease)/increase in cash and cash equivalents in the period	10	 (305,683)	 70,147
 Cash and cash equivalents at the beginning of the period	10	 718,921	 648,774
Cash and cash equivalents at the end of the period	10	413,238	718,921

The notes on pages 45 to 544 form part of these accounts.

Statement of Changes in Equity for the year ended 31 March 2017

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

	General Reserve £	Revaluation Reserve £	Total Equity £
Balance at 31 March 2015	1,519,350	114,146	1,633,496
Changes in Equity for 2015-16			
Comprehensive net income for the year	4,783,029	38	4,783,067
Transfer between reserves	425	(425)	-
Balance at 31 March 2016	6,302,804	113,759	6,416,563
Changes in Equity for 2016-17			
Comprehensive net income for the year	3,869,514	91	3,869,605
Transfer between reserves	337	(337)	-
Balance at 31 March 2017	10,172,655	113,513	10,286,168

The notes on pages 45 to 54 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in a form directed by the Secretary of State for Culture, Media and Sport (DCMS) with the consent of the Department of Finance in accordance with Section 35(2)-(3) of the National Lottery etc. Act 1993 (as amended) and Lottery Accounts directions given by the Department for Communities on behalf of the Department for, Culture, Media and Sport (DCMS).

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of Sport NI Lottery Account for the purpose of giving a true and fair view has been selected. The particular policies adopted by Sport NI Lottery Account are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting Convention

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

The financial statements are stated in sterling, which is the functional and presentational currency.

1.2 Property, Plant & Equipment and Intangible Assets

Non-current assets up to 31 March 2009 were capitalised in Sport NI Lottery Account at the end of each financial year, on the basis of assets acquired/utilised specifically for Sport NI Lottery Account activities (see 1.9).

From 1 April 2009, Sport NI Exchequer Account is responsible for all non-current asset purchase and maintenance.

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 Non-Current 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 Non-Current 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 Sport NI Exchequer Account and is charged to the Statement of Comprehensive Net Income.

1.7 Balances in the National Lottery Distribution Fund (NLDF)

Balances held in the NLDF remain under the stewardship of the Secretary of State for the Department for Culture, Media and Sport. However, the share of these balances attributable to Sport NI Lottery Account 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.

As specified in the Lottery Accounts Directions, issued by Department for Communities, on behalf of Department for Culture, Media and Sport (DCMS), the National Lottery Distribution fund balance is classified as investments in the Statement of Financial Position. This is in line with the Department for Culture, Media and Sport accounting policy. National Lottery Distribution Fund investments are therefore held at the lower of carrying amount or fair value less costs to sell, with any unrealised profit or loss recognised through the National Lottery Distribution Fund revaluation reserve.

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 Grant Commitments

A grant commitment is deemed to be a commitment once the Letter of Offer has been drawn up and 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 13 to the accounts as Grants Payable and recognised as expenditure in the Statement of Comprehensive Income.

1.10 Taxation

Sport NI Lottery Account incurs corporation tax on bank interest earned.

1.11 Financial Instruments

Sport NI has adopted IAS 39. There has been no impact on the net assets of the organisation as a result of this. Note 7 provides appropriate disclosures regarding Financial Instruments on Sport NI's Lottery Account.

Accounting Treatment Investments

In accordance with the Lottery accounts direction, unrealised profits and losses on investments are recognised within the Statement of Comprehensive Income. The presentation of an 'Investment revaluation reserve is as a result of classification as 'available for sale' with the cumulative unrealised gains and losses shown in note 17.

1.12 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.

Payables & 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.

1.13 Employee Benefits

Under the requirements of IAS 19 Employee Benefits, staff costs must be recorded as an expense as soon as Sport NI 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.

1.14 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.

1.15 Estimates**Allocation of costs**

The apportionment of staffing and indirect costs transferred from Sport NI Exchequer Account to Sport NI Lottery 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 Sport NI Lottery Account activities and the proportion of indirect costs which relate to Sport NI Lottery Account activities.

2. Operating Segments

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

3. Operating Costs

	Note	Total 2016-17 £	Direct 2016-17 £	Recharge 2016-17 £	Total 2015-16 £
Grants					
New Grants Made in Year	13	3,995,210	3,995,210	-	3,740,833
De-Committed in Year	13	(995,285)	(989,970)	(5,315)	(142,094)
		2,999,925	3,005,240	(5,315)	3,598,739
Staff Costs:					
Wages & Salaries ¹		870,241	12,572	857,669	849,313
Pension Costs		176,268	2,652	173,616	171,000
Social Security Costs		83,862	2,020	81,842	59,478
Other Staff Costs		25,383	19,966	5,417	-
		1,155,754	37,210	1,118,544	1,079,791
Other Operating Costs²					
SCNI Overhead Charge		541,416	-	541,416	448,618
Courses & Conferences		35,914	34,671	1,243	37,905
Professional Fees		30,470	29,247	1,223	21,816
External Audit Fee		45,500	45,500	-	32,000
Travel & Subsistence		14,203	-	14,203	16,926
Repairs and Maintenance		7,283	7,283	-	10,009
Publicity		3,276	3,276	-	-
Training		60	60	-	1,350
Recruitment		35	-	35	-
Research & Evaluation		-	-	-	9,540
Non Cash Items:					
Depreciation & Amortisation	5 & 6	1,390	1,390	-	2,092
Loss on Disposal		-	-	-	408
		679,547	121,427	558,120	580,664
Total		4,835,226	3,163,877	1,671,349	5,259,194

¹Further analysis of staff costs is located in the Staff Report on page 32.

²Other operating costs totalling £558,120 (31 March 2016: £466,561) within the total for 2016-17 were initially incurred by Sport NI Exchequer Account and recharged to Sport NI Lottery Account.

4. Income

a) NLDF Income:	2016-17	2015-16
	£	£
Proceeds from National Lottery	8,475,700	10,001,285
Investment Income	27,621	40,814
Total NLDF Income	8,503,321	10,042,099
b) Other Income:	2016-17	2015-16
	£	£
Local Authority Contributions*	201,119	-
Other	300	124
Total Other Income	201,419	124
Total Income	8,704,740	10,042,223

*Local Authority Contributions were received from 3 local authorities in relation to 5 projects: Armagh City, Banbridge and Craigavon (Love Hockey), Antrim and Newtownabbey (Moneyglass ABC) and Belfast City Council (St Pauls, St Pauls ABC, Clonard ABC). Previously funding had been granted directly to the grantees by each funder, however, in 2016-17 the funding structure changed to reduce the likelihood of organisations receiving double funding. As a result, a lead funder was identified, and it managed the project funding on behalf of the funding partners. Sport NI was the lead funder on the projects above with the 3 local authorities providing partnership funding contributions.

5. Property, Plant and Equipment

	2016-17	2015-16
	Information	Information
	Technology	Technology
Cost	£	£
At 1 April	37,123	68,923
Additions	-	-
Revaluation	1,717	284
Disposals	-	(32,084)
At 31 March	38,840	37,123
Depreciation		
At 1 April	35,824	65,969
Charge in year	1,390	1,684
Revaluation	1,626	255
Disposals	-	(32,084)
At 31 March	38,840	35,824
Carrying value at 31 March	-	1,299
Carrying value at 1 Apr	1,299	2,954
Asset financing:		
Owned	-	1,299
Carrying value at 31 March	-	1,299

6. Intangible Assets

	2016-17 Information Technology £	2015-16 Information Technology £
Cost		
At 1 April	6,117	62,495
Additions	-	-
Revaluation	422	(309)
Disposals	-	(56,069)
At 31 March	6,539	6,117
Depreciation		
At 1 April	6,117	61,688
Charge in year	-	408
Revaluation	422	(318)
Disposals	-	(55,661)
At 31 March	6,539	6,117
Carrying value at 31 March	-	-
Carrying value at 1 Apr	-	807
Asset financing:		
Owned	-	-
Carrying value at 31 March	-	-

Intangible assets comprise purchased software and licenses.

7. Financial Instruments:

Sport NI Lottery Account's 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 Sport NI's operations. The main purpose of these financial instruments is to provide finance for the operations of Sport NI. There are currently no borrowings or embedded derivatives.

Liquidity Risks

In 2016-17, £8.476 million (97.4%) of Sport NI's Lottery Account's income was derived from the National Lottery. The remaining income is derived from investment returns from the balance held with the NLDF £0.028 million (0.3%) and funding from Local Authorities of £0.201million (2.3%). Sport NI 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 £15.566 million to cover all current contracted commitments of £5.312 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. Sport NI has no control over the investment of Funds in the NLDF. At the 31 March 2017 the Market Value of investment in the NLDF was £15.153 million. In the year the average return on these investments was 0.34%. 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 £0.413 million. Sport NI consider 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.

8. Investments Classified as Available for Sale

The funds held in the NLDF are invested on its behalf by the Commissioners for the Reduction of the National Debt. The balances below are classified as investments in the Statement of Financial Position. This is in line with the DCMS accounting policy. NLDF investments are therefore held at the lower of carrying amount and fair value less costs to sell, with any unrealised profit or loss to be recognised through reserves. Interest earned on the sums invested is apportioned to each of the twelve Lottery Distributors on the basis of their percentage of the total remaining NLDF Funds at the time the interest is received.

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

The closing market value of investments held at 31 March 2017 by the NLDF under the National Lottery Act as amended on behalf of Sport NI's Lottery Account was £15,152,649 (31 March 2016: £15,887,145).

Balances Held in NLDF

	2016-17	2015-16
	£	£
Proceeds from Lottery	8,475,700	10,001,285
Investment Income	27,621	40,814
Drawn Down in Year	(9,237,817)	(8,891,036)
Increase / (Decrease) in Funds	<u>(734,496)</u>	<u>1,151,063</u>
Realised Gain on Investment	-	-
Movement in Revaluation Reserve	-	-
Balance at 1 April	15,887,145	14,736,082
Balance at 31 March	<u>15,152,649</u>	<u>15,887,145</u>

9. NLDF Balance Policy

Sport NI 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 Sport NI will seek to ensure that it neither compromises existing commitments nor unreasonably constrains its ability to make future commitments.

In December 2015 Sport NI agreed that the NLDF target balance should be 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.

At 31 March 2017 Sport NI NLDF balance was £15.153m. The target for the year was not achieved as a result of deferrals in programme activity; and delays in grant vouching due to staff sickness and embedding vouching arrangements within development officers' remit. In October 2017, the Board approved a new NLDF cash flow for the period 2017 to 2023. The revised profiles focus on optimising the NDLF balance to deliver on strategic priorities and remain within reserve thresholds.

10. Cash and Cash Equivalents

	2016-17	2015-16
	£	£
Balance at 1 April	718,921	648,774
Net change in cash and cash equivalent balance	(305,683)	70,147
Balance at 31 March	413,238	718,921

The following balances at 31 March were held at:

Commercial banks	413,238	718,921
Balance at 31 March	413,238	718,921

11. Trade Receivables, Financial and Other Assets

Amounts falling due within one year:

	2016-17	2015-16
	£	£
Prepayments and Accrued Income	32,071	3,235
	32,071	3,235

12. Trade Payables and Other Current Liabilities

	2016-17	2015-16
	£	£
Amounts falling due within one year:		
Amount owed to Sport NI Exchequer Account	241,385	165,560
Accruals and deferred income	189,076	121,782
Total Trade and Other Payables	430,461	287,342
Grants payable (Note 13)	4,881,329	9,837,195
Total current liabilities	5,311,790	10,124,537
Amounts falling due after one year:		
Grants payable (Note 13)	-	69,500

13. Grants Payable

	2016-17	2015-16
	£	£
Grants payable at 1 April	9,906,695	13,365,736
Grants paid during the year	(8,025,291)	(7,059,188)
Grant de-commitments	(995,285)	(142,094)
Transfer to other Payables	-	1,408
Grants made in the year	3,995,210	3,740,833
Grants payable at 31 March	4,881,329	9,906,695
Profile of Commitments	£	£
Payable in 2016-17	-	9,837,195
Payable in 2017-18	4,881,329	69,500
	4,881,329	9,906,695

All commitments under grants are expected to be paid within one year. Sport NI considers that it has sufficient liquid resource within the NLDF and cash balances as well as forecasted NLDF income to cover all current contracted commitments. The forecasted NLDF income is based on projections received from the Department for Culture, Media and Sport.

14. Grant Commitments at Year End Which Do Not Meet the Criteria of Liability at 31 March

In 2016-17 Sport NI Lottery Account made further approvals for awards totalling £4.497m (31 March 2016: £7.35m). These awards have not been included in the calculation of grants payable in the Statement of Financial Position, as letters of offer had yet to be made to the applicants at the year end.

15. Capital Commitments

There were no capital commitments as at 31 March 2017 (31 March 2016: Nil).

16. Commitments Under Leases

While Sport NI Lottery Account has no direct lease commitments, Sport NI Exchequer Account has lease commitments, of which a proportion is charged to Sport NI Lottery Account as they are incurred.

	2016-17	2015-16
	£	£
Total Rent Recharge	10,800	10,800

17. Analysis of the Revaluation Reserves

	NLDF Investment	Non-Current Assets	Total Revaluation Reserve
	£	£	£
Balance at 31 March 2016	113,513	246	113,759
Net Gain on revaluation of Non-Current Assets	-	91	91
Realised Element	-	(337)	(337)
Balance at 31 March 2017	113,513	-	113,513

18. Other Financial Commitments

There were no other financial commitments as at 31 March 2017 (31 March 2016: Nil).

19. Contingent Assets and Liabilities

Sport NI has no contingent liabilities as at 31 March 2017 (31 March 2016: Nil).

The National Lottery Distributors (including the Sport NI) are entitled to receive a share of receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority dated 29 March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). DCMS continue to engage with the GLA on forecasts for land sales on the Olympic Park. Repayments are forecast to start from 2026-27.

20. Related Party Transactions

Several members of the Board 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 Sport NI.

Council Member	Grantee	Commitments to Grantee/Supplier Payment £	Relationship of Board Member to Grantee
Jackie Bryson	Mountaineering Ireland	3,930	Observer on Board of Mountain Training UK which is under management of MI
Richard Bullick	Netball NI	45,419	Non-executive Director
Jay Colville	Royal Yachting Association NI	61,507	Co-opted onto Board on Ad Hoc Basis
Brian Delaney	Athletics NI	51,600	Occasional volunteer marshal
Kyle Ferguson	University of Ulster	3,750 (supplier)	Employee
George Lucas	Downshire Tennis Club	58,757	Chair (until 29.01.17)
Celine McStravick	Belfast City Council Belfast City Council	163,083 (grant) 155 (supplier)	Contract Contract
Darryl Petticrew	Disability Sport NI	24,660	CEO Family Friend

Staff Member (Executive Team)	Grantee	Commitments to Grantee/Supplier Payment £	Relationship of Staff Member to Grantee
John News	Cycling Ireland Ulster Council GAA	13,000 19,647	Subscribing Member – Current Subscribing Member – St Peters GAC
Andrew Sloan	British Gymnastics	22,174	Person Connected – Member
Shaun Ogle	Cycling Ireland	13,000	Subscribing Member – Current

Other related parties include:

Sport NI is a Non-Departmental Public Body sponsored by the Department for Communities (DfC). DfC is regarded as a related party. In May 2016 Department for Communities became the sponsoring body of Sport NI.

During the year Sport NI has had various transactions with the Department and with other entities for which Department for Communities is regarded as the parent Department. None of the Council Board Members, key managerial staff or other related parties has undertaken any material transactions with Sport NI during the year.

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

Sport NI Exchequer Account makes a number of recharges to Sport NI Lottery Account.

As a matter of policy and procedure, Sport NI maintains a publicly available register of interests where Council Board Members and staff declare any direct interest in grant applications made to Sport NI or any commercial relationships of Sport NI. In addition, grants were paid during the year to a number of organisations in which Board Members declared an interest. Having declared an interest Council Board Members are required to leave the meeting while the relevant application is discussed and a decision is made.

21. Third Party Assets

There are no third-party assets as at 31 March 2017 (31 March 2016: Nil).

22. Events After the Reporting Period

Voluntary Exit Scheme

Fifteen departures were agreed under the second phase of VES in 2017-18.

Change in Name of Sponsoring Department

From 3 July 2017, until 7 February 2023 the Department for Culture Media and Sport (DCMS) became known as the Department for Digital, Culture, Media and Sport. It reverted back to the name Department for Culture Media and Sport (DCMS) from 7 February 2023.

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

External

Sports Council participated in the DCMS working group set up to assess the implications of the United Kingdom's exit from the European Union which took place on 31st January 2020. The Sports Council business model and working practices were severely impacted by the Covid 19 pandemic in 2020-21 both in terms of specific short-term responses and longer-term effects.

Date of Authorisation for Issue

The Accounting Officer authorised the issue of these financial statements on the date they were certified by the Comptroller and Auditor General.

APPENDIX A LOTTERY POLICY DIRECTIONS

SPORTS COUNCIL FOR NORTHERN IRELAND

The Department of Culture, Arts and Leisure, on behalf of the Department of Culture, Media and Sport, in exercise of the powers conferred by section 26(1) of the National Lottery etc. Act 1993 and having consulted the Sports Council for Northern Ireland pursuant to section 26(5) of that Act, hereby gives the following directions:

1. In these Directions any reference to a section is a reference to a section of the National Lottery etc Act 1993.
2. In determining the persons to whom, the purposes for which and the conditions subject to which it distributes any money under section 25(1), Sports Council for Northern Ireland shall take into account the following matters:-
 - A. Its assessment of the needs of sport and its priorities for addressing them (having regard to government strategies/policies in force).
 - B. The need to inspire children and young people, awakening their interest and involvement in sport.
 - C. The need to foster local community initiatives which bring people together, enrich the public realm and strengthen community spirit.
 - D. The need to support volunteering and encourage volunteering in sport.
 - E. The need to encourage new talent, innovation, and excellence and help people to develop new skills.
 - F. The need to involve the public and local communities in making policies and setting policies and setting priorities.
 - G. The need to ensure that money is distributed for projects which promote public good rather than private gain.
 - H. The need to further the objective of sustainable development.
 - I. The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
 - J. The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants.
 - K. The desirability of:
 - (a) increasing access and participation for all;
 - (b) ensuring that all areas have access to funding; and
 - (c) reducing economic and social deprivation.
 - L. The desirability of working jointly with other organisations, including other distributors.
 - M. The need:
 - (a) to set time limits for which grants are payable;
 - (b) to ensure that Sports Council for Northern Ireland has the necessary information and expert advice to make decisions on each application; and
 - (c) for applicants to demonstrate the financial viability of projects.
 - N. Where capital funding is sought, the need:
 - (a) for a clear business plan showing how any running and maintenance costs will be met for a reasonable period; and
 - (b) to ensure that appraisal and management for major projects match the Office of Government Commerce's Gateway Review standards.
 - O. The need to ensure that its powers to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives.

Signed on behalf of the Department of Culture, Arts and Leisure:

PAUL SWEENEY
Permanent Secretary

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