



Education Authority  
**Annual Report and Accounts**

for the Period Ended 31 March 2016

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on

11 April 2017



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# **PERFORMANCE REPORT**

## PERFORMANCE REPORT

### CHIEF EXECUTIVE'S FOREWORD

I am pleased to present the first Annual Report and Accounts for the Education Authority (EA). This publication marks the end of our first year as a regional organisation and reflects on a challenging, but rewarding 12 months, as the five Education and Library Boards (ELBs) were dissolved and we created a single organisation with regional responsibility for the delivery of education services.



One year into the life of the new EA, I can confidently reflect on a very successful transition. In 2015-16, we had two main challenges: balancing our budget in a very constrained financial climate and ensuring that the education of all our children and young people continued to be delivered uninterrupted whilst taking forward the largest programme of reform in education for over 40 years.

This successful transition is due to the efforts of the staff of EA. Over the last 12 months they have worked tirelessly to ensure that buses turned up, meals were cooked, education support was provided, and school life continued unaffected.

In the background, we brought together multiple organisational structures and functions to begin to operate as a regional authority. This included the transfer of 39,000 staff from the ELBs to EA. We brought together five separate finance systems and banking arrangements. We aligned five different ICT systems and created consistent HR processes, policies and procedures.

All of this was achieved against a backdrop of severe financial pressures and with over 200 valued colleagues leaving the organisation throughout the year under the voluntary severance programme.

As we look forward to 2016-17, we move from transition to transformation. The appointment of five new directors represents the first step in the creation of new regional structures. Our focus for the future is on creating a truly regional organisation that delivers excellent education support services for all our children and young people.

The creation of EA brings many benefits from both financial and educational perspectives. It provides a more cost-effective model for the delivery of education services as the education sector continues to deal with the challenges of the current budget situation. It removes duplication and bureaucracy, enabling much needed funding to be directed towards teaching and learning in the classroom. It also ensures equality of access to consistently excellent education services, regardless of which school a child attends or where they live.

As we continue to make changes, improvements, efficiencies and savings, our ultimate focus will remain on the children and young people whose lives we impact every day. Improving outcomes is one of our core objectives and runs through the heart of everything we do.

I look forward to the next 12 months and beyond with positivity, enthusiasm and optimism. We will continue to face challenges head on. I have every confidence that the staff of EA will continue to deliver for generations of children and young people to come, as well as for the wider communities of Northern Ireland.

A handwritten signature in black ink, appearing to read 'Gavin Boyd'. The signature is written over a large, simple line drawing of a triangle.

**Gavin Boyd**  
**Chief Executive**

## PERFORMANCE REPORT

### CHAIRPERSON'S REFLECTION

The creation of EA in April 2015 is a significant event in the history of education in Northern Ireland. It has been long awaited, greatly anticipated and much needed. I am proud to be its first ever chairperson.

EA is a regional organisation with responsibility for delivering education services consistently right across Northern Ireland. We are currently engaged in a process of transformation. EA should not be seen as an amalgamation of the five ELBs. It will be a modern, efficient and responsive organisation that is designed to meet the ever-changing needs of all of our children and young people.



We are at the beginning of a journey and the pace of change will be fast moving in the years ahead. The EA board is an experienced and dedicated group who are committed to ensuring excellence in all that we do. We have agreed a number of key themes to provide a clear strategic direction for EA.

We have a responsibility to balance our budget. This is a significant challenge for EA as like many organisations, we are impacted by the continuing reductions in public sector funding. We started 2015-16 facing a pressure of £25m and I am pleased to report that we finished the year with a balanced budget, reporting a very modest surplus. However, the financial challenges continue to increase in 2016-17.

We also are acutely aware that the most important task we face is raising achievement. To do that we need strong leadership and excellent teaching and learning in schools. The development of a new School Development Service and Governor Support Service will create a strong partnership with schools to enable us to work together towards this common goal.

We need an excellent, fit-for-purpose schools' estate where learners can flourish with access to modern equipment and the latest technology. As a regional authority, we hope to bring enhanced consistency to area planning processes across Northern Ireland.

We recognise that there are challenges ahead, not least in relation to the current financial situation. However, we are confident that working closely with schools, we can positively impact upon the lives of children and young people for generations to come.

I wish to thank the board members for their support and guidance during a challenging year. I value their wide-ranging skills and experience and look forward to working with them again in the year ahead.

I also wish to pay tribute to the thousands of EA staff for their unwavering dedication and determination in ensuring that during the transition to EA, services continued to be delivered every day.

I have no doubt that working under the guidance of a much-focused board, the staff of EA will continue successfully with our transformation to a truly regional organisation delivering excellent services at the heart of schools and communities across Northern Ireland.

A handwritten signature in black ink, which appears to read 'Sharon O'Connor'. The signature is written in a cursive, flowing style.

**Sharon O'Connor**  
**Chairperson**

## **PERFORMANCE REPORT**

### **ABOUT THE EDUCATION AUTHORITY**

EA was established on 1 April 2015 under the Education Act (Northern Ireland) 2014. It replaced the five ELBs and their Staff Commission as a regional authority with responsibility for the delivery of education services in Northern Ireland.

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

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

EA has a budget of approximately £1.5billion. It is Northern Ireland's biggest employer with over 39,000 staff including 7,700 teachers, 19,000 school-based support staff and around 12,600 office based and other non-school-based staff.

As the employing authority for teachers in controlled schools, EA is responsible for the management of the teaching appointments processes for teachers and principals and provision of learning and development opportunities for teachers.

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

In 2015-16 the chairperson and chief executive were located at Forestview, Belfast with five main offices in Armagh, Ballymena, Belfast, Dundonald and Omagh.

## **PERFORMANCE REPORT**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The corporate risk register reflects:

- the functions EA is required to provide under statutory legislation;
- EA's corporate aims and objectives;
- the business processes adopted; and
- the key risks which have impacted on the achievement of results and the execution of functions.

It also details how the chief executive, supported by additional accounting officers, strategically managed risks associated with:

- achieving education targets;
- the transformation and regionalisation of structures;
- delivering consistency and equity of treatment to customers and stakeholders;
- oversight of governance, training and information flows; and
- the timely and appropriate management of finance which includes budgetary control and the implementation of a voluntary severance scheme.

EA's key risk related to the failure to achieve DE's five strategic targets as detailed in the Business Plan, within the budget allocated.

The Corporate Risk Register, which was aligned to DE's Corporate Risk Register, was regularly updated during the period under review and was presented to the Audit and Risk Assurance Committee at meetings held in June 2015, October 2015, January 2016 and April 2016.

DE has confirmed that EA's corporate risk register provides the necessary assurances that risks to the delivery of business objectives have been appropriately identified and recorded, and that these risks are being appropriately managed.

Further details on the review of the effectiveness of EA's system of internal control are provided in the Governance Statement which also outlines the significant governance issues encountered during the 2015-16 financial year.

### **EQUALITY STATEMENT**

In carrying out its functions, EA has a statutory responsibility, under section 75 of the Northern Ireland Act 1998, to have due regard to the need to promote equality of opportunity:

- between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- between men and women generally;
- between persons with disability and persons without; and
- between persons with dependents and without.

In addition, and without prejudice to the above obligation, EA also, in carrying out its functions, has regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group.

### **GOING CONCERN STATEMENT**

## **PERFORMANCE REPORT**

The Education Act (Northern Ireland) 2014 enabled the establishment of EA by statute, thereby dissolving the five ELBs and their Staff Commission from 1 April 2015.

EA is an Executive Non-Departmental Public Body (NDPB) sponsored by DE.

Management has reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis. The Education Act (Northern Ireland) 2014 enabled EA to assume the functions and responsibilities of the former organisations and will continue to be funded by DE for the foreseeable future. For these reasons, EA has adopted the going concern basis in preparing the annual report and financial statements.

## PERFORMANCE REPORT

### PERFORMANCE OVERVIEW: KEY THEMES IN 2015-16

#### Business Continuity in a Time of Change

Initial focus in 2015-16 was on setting up EA and the dissolution of the ELBs and their Staff Commission. This complex task was planned and prepared for in 2014-15. It was implemented successfully on 1 April 2015 including the transfer of 39,000 staff to EA under TUPE while maintaining service delivery. One hundred change projects came to fruition which included the transfer of ELB assets and liabilities, the dissolution of deeds of trusts with their benefits transferred to EA, and the development of a suite of new policies which were consulted upon prior to implementation.

#### Governance

The newly-appointed board members were inducted, committees identified and standing orders and schemes of management drafted and agreed. An interim senior management structure was developed and agreed. This involved re-designating the chief executives of the ELBs as regional managing directors (RMDs) with subsidiary responsibilities, reporting to the EA chief executive. The recruitment process for the selection of the new senior management team (SMT) commenced in 2015, with new directors taking up post in early 2016 taking over responsibility from RMDs.

#### Raising Standards for All: Focus on School Improvement

Throughout 2015-16, EA continued to support the implementation of DE's Every School a Good School (ESaGS) policy in relation to school improvement, pupil attainment, formal intervention and school development planning. As part of the transition to EA, the Curriculum Advisory and Support Service (CASS) service was replaced by an interim regional School Development Service (SDS) in January 2016.

Between April 2015 and June 2015, 84 schools were inspected by the Education and Training Inspectorate (ETI) with 69 (82%) achieving ratings of 'good' to 'outstanding'. In September 2015 the descriptors changed to four main conclusions. Between September 2015 and March 2016, 105 schools were inspected with 76% achieving Grades 1-2 ('outstanding' or 'very good').

EA provided post-inspection follow-up advice and support, as appropriate. In accordance with the priorities of the service, schools in the formal intervention process and schools receiving a 'satisfactory' grading or a conclusion requiring them 'to address important areas for improvement' received intensive support. This included supporting them with developing action plans to address the areas for improvement as identified by ETI, and assisting them to deliver progress against their action plans. As a result, 29 schools improved their grades.

#### Overview of Published School Inspection Outcomes

##### April 2015 to June 2015

Grade	Descriptor	Number of Schools	%
1	Outstanding	10	12
2	Very Good	25	30
3	Good	34	40
4	Satisfactory	12	14
5	Inadequate	3	4
6	Unsatisfactory	0	0
	<b>Total</b>	<b>84</b>	<b>100</b>

## PERFORMANCE REPORT

### PERFORMANCE OVERVIEW: KEY THEMES IN 2015-16

#### Overview of Published School Inspection Outcomes (cont'd)

One hundred and five schools were inspected by ETI between September 2015 and March 2016. The schools were graded as follows:

#### September 2015 to March 2016

Conclusion	Number of Schools	%
The school has a high level of capacity for sustained improvement in the interest of all the learners. ETI will monitor how the school sustains improvement.	51	49
The school demonstrates the capacity to identify and bring about improvement in the interest of all the learners. ETI will monitor how the school sustains improvement.	28	27
The school needs to address (an) important area(s) for improvement in the interest of all the learners. ETI will monitor the report on the school's progress in addressing the area(s) for improvement. There will be a formal follow-up inspection.	10	9
The school needs to address urgently the significant areas for improvement identified in the interest of all the learners. It requires external support to do so. ETI will monitor and report on the school's progress in addressing the areas for improvement. There will be a formal follow-up inspection.	16	15
<b>Total</b>	<b>105</b>	<b>100</b>

#### Delivering Social Change: Improving Literacy and Numeracy

In 2015-16, 151 primary schools and 140 post-primary schools participated in the OFMDFM/DE Delivering Social Change (DSC) programme, with 270.6 Full-Time Equivalent (FTE) teachers being deployed and 310 teachers gaining employment. Of the 2,273 primary schools pupils who benefited from the programme, 79.5% achieved Level 4 or above in numeracy and 76.4% achieved Level 4 or above in literacy. Of the pupils supported by the programme, 57.9% displayed improved attendance.

Of the 6,318 post-primary pupils who participated, 65% achieved a grade C or above in English with 59.6% achieving a grade C or above in mathematics. Of the pupils supported by the programme, 47.8% displayed improved attendance.

## **PERFORMANCE REPORT**

### **PERFORMANCE OVERVIEW: KEY THEMES IN 2015-16**

#### **Developing the Education Workforce**

EA remains committed to developing the education workforce. In 2015-16, the Key Stage 2-3 Continuing Personal Development (CPD) Literacy and Numeracy Project helped improve the quality and impact of teacher professional learning. This project developed new knowledge, understanding and practice. The project has taken stock of emerging and innovative practice in teacher professional learning and endeavoured to show how sharing of good practice, educational partnerships between schools, and the potential of ICT can help to achieve positive outcomes. Over 1,300 teachers attended conferences and training events from April 2015 to March 2016.

In addition, specific training was provided to 2,268 school governors to enhance the skills and knowledge they need to effectively discharge their roles on the governing bodies of schools. We also supported 160 teachers in achieving their Professional Qualification for Headship (PQH) following the completion of a programme that reflects the changing role of school leadership and seeks to meet the professional learning and development needs of those aspiring to progress in their teaching careers.

#### **Shared Education**

EA managed the implementation of the DSC, Shared Education Signature Project (SESP) which was funded by OFMDFM, DE and the Atlantic Philanthropies in 2015-16.

The project aims to grow existing school partnerships and develop collaboration and shared activity further between schools. In 2015-16, EA managed the application process with 325 schools accepted to be part of the project until June 2018, and 16,999 pupils and 1,291 teachers were involved in shared activity between schools. Over 300 principals and teachers have been involved in training sessions delivered by the SESP Development Team.

#### **Focus on Children and Young People**

Work has been ongoing to bring enhanced consistency to the delivery of Children and Young People's Services (CYPS) which include special education, education welfare, child protection and safeguarding and youth services. Demand for special education services has been increasing and in 2015-16, EA maintained 18,203 Statements of Special Educational Needs (SEN) which is an increase of 1,631 from 2014-15.

In addition, significant developments have occurred within the Youth Service to progress the main actions arising from Priorities for Youth. Currently there are around 146,439 young people aged 4-25 years attending the Registered Youth Service run by 300 full-time youth workers, 1,452 part-time youth workers and 20,798 adult volunteers who deliver youth services across the breadth of youth organisations, both statutory and voluntary. Volunteers contribute an overwhelming majority of the 43,183 hours to the registered Youth Service in helping deliver youth services.

#### **Investing in Schools**

In 2015-16, over £14million was invested in Schools Major Works programmes. EA provided a new, state-of-the-art £2.6million building for Eglinton Primary School, invested £10million in a new building for Victoria Park Primary School in Belfast and completed a range of other capital projects including school extensions, mobile replacements, internal remodelling and SEN suites.

## **PERFORMANCE REPORT**

### **PERFORMANCE OVERVIEW: KEY THEMES IN 2015-16**

#### **Investing in Schools (cont'd)**

The investment in School Enhancement Programme Works totalled £11.776million. Significant projects included Saintfield High School and the commencement of works in a number of special schools including Knockevin, Donard, Rathore and Castle Tower Special Schools. Over £22million was invested in minor works programmes in controlled schools, EA administration centres and school meals kitchens. This investment has enabled EA to greatly enhance the quality of the schools estate.

#### **Providing Safe and Efficient Home to School Transport**

Over 88,000 pupils were safely transported to and from schools in the course of the 2015-16 year via EA transport services. 41 new buses were purchased to enhance the service for pupils. Twenty-nine of the new buses will be used to provide transport to mainstream pupils attending both primary and post-primary schools. Twelve new buses will be used to transport pupils with special educational needs. All new buses are fitted with a range of safety features including high-visibility seat belts, flashing lights to alert other motorists and audible warning devices to ensure pupils wear their seatbelts.

In 2014-15, a pilot study was carried out in the Dungannon area allowing parents to apply for home-to-school transport assistance online. Work is ongoing to plan for the extension of this online facility.

#### **Balancing the Budget**

One of the major challenges facing EA in 2015-16 was to agree the budget plan. Following considerable discussion between members, officers and DE, agreement was successfully reached in August 2016. EA also secured additional resources during the year which assisted in meeting key pressures. Despite significant challenges in relation to moving from five organisations to one and the system limitations, EA has lived within its budget allocation, managing this within its financial tolerances and targets.

#### **Reducing Costs through ICT Modernisation**

EA continued to deliver reliable ICT services across all locations during the transition from the five ELBs to a single organisation. Significant efficiencies were achieved through consolidation of the ICT networks. We reduced costs through the introduction of modern telephony systems and extended the use of Skype for Business, facilitating online meetings and reducing travel requirements.

The replacement of the Northern Ireland Substitute Teachers Register (NISTR) also improved the substitute teachers' booking process, significantly reducing paper, postage and telephony costs.

The school admissions process was also modernised with full details of schools' admissions criteria now available online with a full search facility. This has created significant savings in printing and distribution of thousands of documents.

## **PERFORMANCE REPORT**

### **PERFORMANCE OVERVIEW: KEY THEMES IN 2015-16**

#### **Consistency in Human Resources**

In 2015-16, EA Human Resources (HR) staff successfully managed and implemented the transfer of over 39,000 staff from the five ELBs and the Staff Commission to EA on 1 April 2015. This involved discussion and consultation with the legacy organisations and the trade unions.

HR policies and procedures were put in place to ensure that recruitment in schools and in EA continued during the transition and that procedures were also in place to manage employee relations issues.

Consistent HR documentation was created and implemented. Processes were put in place to ensure ongoing consultation with the trade unions and a voluntary severance programme was implemented releasing over 200 staff which contributed to EA's requirement to live within budget.

HR staff continued to provide professional support and advice to schools and managers on important issues including recruitment, reorganisation and restructuring, voluntary severance and employee relations issues. Work has been undertaken with other education colleagues to deliver training for governors on key workforce matters and a further programme is under development for 2016-17.

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

##### 1: Education Priority: Raising Standards for All

##### NI Key Stage, GCSE and GCE Educational Performance for the Academic Years from 2012-13 to 2014-15

1: Education Priority: Raising Standards for All			
NI Key Stage, GCSE and GCE Educational Performance for the Academic Years from 2012-13 to 2014-15			
	2012-13	2013-14	2014-15
	NI%	NI%	NI%
<b>*Key Stage Assessments</b>			
1.1			
Key Stage 1 Level 2+ English	90.1	91.1	88.7
Key Stage 1 Level 2+ Maths	90.8	92.2	90.3
1.2			
Key Stage 2 Level 4+ English	77.1	79.8	76.8
Key Stage 2 Level 4+ Maths	78.5	80.3	77.4
Key Stage 3 Level 5+ English	72.2	74.1	G: 98.4 NG: 58.5
Key Stage 3 Level 5+ Maths	73.9	77.1	G: 99.7 NG: 63.5
1. Due to industrial action 2013-14 and 2014-15 data have been weighted to account for non-response bias and are best estimate. 2. The best estimate is the mean figure drawn from the sample. 3. Data covering 2012-13 onwards are based on the new Levels of Progression; these results are not directly comparable with Key Stage Assessment outcomes from previous years. 4. 2014-15 KS3 figures divided into grammar and non-grammar.			
<b>GCSE and A Level Achievements</b>			
1.3			
GCSE 5+ A*-C (Non-Grammar)	67.2	70.6	72.0
GCSE 5+ A*-C (Grammar)	97.3	97.2	97.8
GCSE 5+ A*-C incl. English and Maths (Non-Grammar)	37.7	44.0	46.8
GCSE 5+ A*-C incl. English and Maths (Grammar)	94.0	94.5	95.0
1.4			
GCE A Level 3+ A*-C (Non-Grammar)	45.4	47.7	47.8
GCE A Level 3+ A*-C (Grammar)	77.2	75.7	77.0
1.5			
GCE A Level 2+ A*-E (Non-Grammar)	95.7	95.4	95.8
GCE A Level 2+ A*-E (Grammar)	99.6	99.6	99.7

\* Key Stage Assessments exclude Special and Independent schools

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

1. Education Priority: Raising Standards for All			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (eg achieved)	Evidence to support status descriptor
1.6	<b>Pupil Attainment</b> To submit by September 2015 details of actions/programmes of work relating to (cohorts of) pupils that will be taken forward to ensure targets relating to school leavers will be achieved.	Achieved	SDS developed and implemented a regional School Improvement Plan which included actions to support achievement of cohorts of school leavers.
1.7	<b>School Improvement</b> To submit by September 2015 details of actions/support that will be taken forward to ensure targets will be achieved through school improvement.	Achieved	SDS developed and implemented a regional School Improvement Plan to ensure targets would be achieved through school improvement.
1.8	<b>Entitlement Framework (EF)</b> 100% of post-primary schools meeting EF requirements in full or have action plan in place to deliver full compliance within revised timescale agreed with DE.	Not Achieved	Analysis of EF audit for 2015-16 indicates the following: KS4: 60% compliant Post-primary: 48% compliant
1.9	<b>Every School a Good School</b> Throughout 2015-16 ensure that all schools that are required to do so have an agreed action plan in place to address areas for improvement identified by ETI, within the required timescales, and provide SDS and other support measures to help schools deliver progress against the action plan, including sectorally-sensitive support to Irish-medium schools. In the case of Catholic maintained schools, this will be taken forward in liaison with the Council for Catholic Maintained Schools (CCMS).	Achieved	All schools required to do so have submitted action plans to inspection services within the required timescales.  In the case of maintained schools, these have been developed as appropriate in liaison with CCMS.  Aligned support plans have been developed and officers deployed as appropriate.
1.10	In the context of the Executive's Programme for Government (PfG) commitments, ensure that each post-primary school has set, and is working to achieve, robust and challenging targets	Substantially achieved	School Improvement officers have monitored GCSE targets submitted by post-primary schools, within existing resources, to ensure that targets are robust and challenging.

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

1. Education Priority: Raising Standards for All			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (eg achieved)	Evidence to support status descriptor
	for the 2015-16 school year for improving their pupils' attainment at the level of 5+ GCSEs at A*-C (or equivalent) including GCSEs in English and Mathematics at overall school leaver level.		Due to a range of circumstances, not all schools have submitted targets.
1.11	Throughout 2015-16 in collaboration with the boards of governors, take action within the required timescales to ensure that all pupils in schools that are in formal intervention receive an efficient and effective educational experience.	Achieved	<p>SDS officers were deployed in pursuit of school improvement to provide intensive advice, support and challenge to these priority schools as appropriate.</p> <p>This included:</p> <ul style="list-style-type: none"> <li>• comprehensive intelligence-gathering;</li> <li>• liaison with CCMS as required;</li> <li>• support for leadership at all levels, including support for data analysis, target-setting and intervention strategies;</li> <li>• support for boards of governors;</li> <li>• development of action plans to address key priorities for improvement, as identified by ETI;</li> <li>• commissioning and co-ordination of appropriate support personnel;</li> <li>• ensuring Performance Review and Staff Development (PRSD) targets are linked to improvement priorities;</li> <li>• regular monitoring of progress and adjusting support accordingly;</li> <li>• reporting on progress within EA as appropriate; and</li> <li>• involving other support organisations as appropriate.</li> </ul>
1.12	Throughout 2015-16 to have ensured that all schools have in place School Development Plans that promote improvement and meet statutory requirements.	Substantially achieved	SDS officers provided advice and guidance to schools on the requirement to submit a School Development Plan with appropriate targets in accordance with DE's revised School Development Plan guidance (2010).

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

1. Education Priority: Raising Standards for All			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (eg achieved)	Evidence to support status descriptor
			<p>Support was provided for first-time principals.</p> <p>School Development Plans and targets were monitored to ensure they met statutory requirements.</p> <p>Specific advice/support was offered to any school submitting a non-compliant plan.</p> <p>Training and support was provided for governors to support them in their key role.</p> <p>Sharing of good practice was facilitated, including use of ESaGS TV.</p>
1.13	<p><b>Early Years (PfG Commitment)</b> To provide sufficient places by September* 2015 to ensure that at least one year of pre-school provision is available to every family that wants it.</p> <p>*Measured in October.</p>	Achieved	99.9% of children whose parents stayed with the admissions process to the end were offered a funded pre-school place.
1.14	Commence a review of current arrangements for the delivery of all funded pre-school services to achieve maximum benefit from a single authority.	Not Achieved	Meeting of Pre-School Education Advisory Groups (PEAG). Commencement of review of current PEAG structure.
1.15 (a)	<p><b>Science Technology Engineering Maths (STEM)</b> Throughout 2015-16 promote the uptake of STEM in response to the Executive's STEM Strategy.</p>	Achieved	<p>The STEM CPD project has been implemented.</p> <p>The STEM Module has delivered against agreed actions.</p>
(b)	By September 2015, to agree a range of measures with DE for the promotion of STEM	Achieved	<p>The STEM CPD project has been implemented.</p> <p>The STEM Module has delivered against agreed actions.</p> <p>EA is represented on a DE World Around Us working group.</p>

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

2. Education Priority: Closing the Performance Gap, Increasing Access and Equality						
Indicator	Current Performance		Milestones			Long term target 2019-20
	2012-13	2013-14 <sup>1</sup>	2013-14	2014-15	2015-16	
2.1						
% of <u>school leavers</u> with entitlement to free school meals achieving 5 or more GCSEs at Grades A*-C (or equivalent) inc. GCSEs in English and Maths	34.9%	34.9%	45% PfG	49% PfG	49% PfG	65%+
2.2						
% of Free School Meals Entitlement (FSME) school leavers with at least 3 A Levels at A*-C (or equivalent)	15.7%	16.6%	17.2%	18.0%	18.5%	
2.3						
% of FSME school leavers with at least 2 A Levels at A*-E (or equivalent)	30.4%	31.0%	29.5%	30.5%	34%	
2.4						
Increase the % of Looked After Children leaving school with at least 5 GCSEs at grades A*-C (or equivalent) including GCSEs in English and Maths	17.9%	20.9%	20.9%			

<sup>1</sup> 2013-14 School Leavers data inserted

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
2.5	<b>Pupil Attainment - Equality</b> To submit, by September 2015, details of actions/programmes of work relating to FSME pupils and/or schools serving our most disadvantaged pupils that will be taken forward to ensure improvement in outcomes for school leavers with FSME.	Achieved	<p>SDS has developed and implemented a regional School Improvement Plan which included actions to support achievement of FSME pupil targets.</p> <p>Achieving Belfast and Achieving Derry: Bright Futures action plans have been approved by DE and have been implemented.</p> <p>Actions related to the Legacy Programme for OFMDFM DSC Literacy Numeracy Signature Project have also been completed.</p>
2.6 (a)	<b>Admissions and Transfer</b> By September 2015, ensure that all Year 1 and Year 8 pupils are placed through the effective and timely administration of the school admissions and transfer processes.	Achieved	By September 2015, all Year 1 pupils were placed in primary schools and all Year 8 pupils were placed in post-primary schools.
(b)	Ensure information for enrolment is available in an easy-to-access and timely manner for parents.	Achieved	<p>Information on the procedures for admission to pre-school education, primary school and post-primary school was published on the EA website.</p> <p>Admissions criteria for each school were published on the EA website in accordance with the DE timetable. Reference booklets of admissions criteria were made available in each school. Notes of guidance on the procedures were provided with application forms.</p>
2.7 (a)	<b>Attendance</b> Throughout 2015-16 to implement actions to improve attendance at primary and post-primary schools with attendance levels below 90%.	Achieved	<p>Education Welfare Service (EWS) resources deployed into supporting target schools.</p> <p>Attendance audits carried out and monitored monthly, and all below 85% attendance pupils identified and followed up.</p> <p>Tailored support given to each school depending on need.</p>

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#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
			Sub-regional locality based attendance projects initiated. Regional implementation of C2k SIMS Module remote access.
(b)	In 2015-16, contribute to an agreed action plan to address the issues identified in the Northern Ireland Audit Office (NIAO) Follow-up Report on Pupil Attendance (action plan will support DE's attendance strategy to be published in the 2015-16 school year).	Achieved	Implementation of Phase 1 underway. EA action plan approved by CYPS Committee in September 2015. Meetings with EWS senior management teams have been held to ensure Education Welfare Officers (EWOs) are aware of the contents of the action plan and can effectively deliver the contents of the plan.
(c)	Reduce the percentage of half days missed because of unauthorised absence in primary schools by 0.5% and in post-primary schools by 0.5%.	Likely to be achieved with some delay	Letter sent to all schools re 'Attendance Guidance and Absence Recording by Schools'. Tailored support to each school to address the management of attendance and support the implementation of Circular 2015/02.
(d)	Secure an increase in the overall attendance rate.	Likely to be achieved with some delay	
(e)	Secure an increase in the overall attendance rate in schools with currently less than 90% attendance.	Likely to be achieved with some delay	Specific support given to those schools whose attendance requires redress. Establishment of service level agreements between the EWS and the school.
2.8	<b>Support for Traveller, Roma and newcomer pupils</b>	Not achieved	Regular planning meetings held between lead advisers in both services.
(a)	To ensure a process of joint planning with the regional Traveller Education Support Service (TESS) and regional Inclusion and Diversity Service (IDS) with the aim of aligning and integrating practice by end of March 2016. Report to DE on how the TESS and IDS are aligning and integrating practice and a joint delivery plan for the TESS and IDS to be		Given the significant EA priorities, it was not realistic to deliver this in 2015-16.

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#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
	submitted to DE by end of December 2015.		
(b)	Throughout 2015-16 to deliver progress against the actions in the TESS Delivery Plan in line with agreed timescales.	Achieved	Quarterly progress reports submitted to DE on time and quarterly review meetings held with DE lead officers. Head of department and regional managing director sign-off for each update report.
(c)	Throughout 2015-16 to deliver progress against the actions in the IDS Delivery Plan in line with agreed timescales.	Achieved	Online course established for teachers. Help desk established for schools. Interpreting service used to promote home/school communication.
2.9	<b>School Improvement</b> In the context of the Executive's PfG commitments, ensure that each post-primary school has set and is working to achieve robust and challenging targets for the 2015-16 school year for improving the attainment of school leavers who are entitled to free school meals at the level of 5+ GCSEs at A* - C (or equivalent) including GCSEs in English and Mathematics.	Substantially achieved	School improvement officers have monitored GCSE/FSME targets submitted by post-primary schools within existing resources to ensure they are robust and challenging. Some schools have not yet submitted targets.
2.10 (a)	<b>Special Educational Needs (SEN)</b> Statutory assessments of SEN and reviews of statements of SEN, completed in 2015-16, to be carried out within the timeframes set out in the SEN Code of Practice and the Supplement, subject to permitted exceptions.	Achieved	While timeframes are being met (with valid exceptions) in over 99% of cases, there are a small number of cases where delayed advice has impacted on the process.
(b)	Initial appointment with Educational Psychology Services (EPS) at stage 3 of the SEN Code of Practice to take place as soon as	Achieved	Target 98% met, however high numbers of referrals from Health impacted on target. EPS keeps this target under regular review and will take remedial action as appropriate.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
	possible but within a maximum of six months from the date of referral to EA.		
(c)	In 2015-16 develop a regional approach to the delivery of the current SEN Framework.	Achieved	Statutory documents reviewed, amended and adopted by all regions. Regional SEN panel in operation with a regional framework to consider the commencement of statutory assessment process. Initiation of classroom assistant monitoring panels with effect from November 2015.
(d)	From 1 September 2015 EA will implement Early Years Inclusion Service in line with regional proposals as agreed for business case.	Likely to be achieved but with some delay	Tasks outlined in business case currently being implemented. Some delays with recruitment but well underway. Regional working group meet regularly to update common action plan for approval of CYPs Assistant Senior Education Officers (ASEOs).
(e)	Throughout 2015-16 prepare for implementation of the revised SEN framework (September 2016), including work to revise SEN regulations and the SEN code of practice by EA's work stream coordinator and SEN capacity-building officers.	Likely to be achieved with some delay	This is dependent on the progression of legislation; led by DE and supported by EA.
2.11 (a)	<b>Education Other Than At School (EOTAS)</b> Throughout 2015-16 meet responsibilities under Article 86 of the Education (Northern Ireland) Order 1998 to make suitable EOTAS provision for children of compulsory school age.	Achieved	A wide range of EOTAS provision is available across Northern Ireland.
(b)	To ensure at least 80% of EOTAS referrals are assessed and placements made within three months (excluding July and August).	Achieved	EMS and record-keeping assist with the monitoring of this target. Referral panel meets approximately every six weeks and referrals are responded to within the timeframes noted.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
(c)	To ensure more than 50% of all pupils in EOTAS achieve 94.6% or more attendance.	Achieved	EMS and monthly monitoring of data. This target can be impacted upon by the complexity of some cases.
(d)	To ensure more than 60% of all pupils in EOTAS meet or exceed their learning and personal development targets.	Achieved	Weekly monitoring and monthly reports. Pupils are reviewed regularly to ensure that they are meeting their targets.
2.12 (a)	<b>Pupil Referral Units (PRUs)</b> Provide short-term external placements to support schools in responding to pupils with Social, Emotional and Behavioural Difficulties (SEBD) or other challenging behaviours.	Achieved	Pupils placed. EMS record-keeping.
(b)	To ensure that at least 80% of PRU referrals are assessed and actioned within three months (excluding July and August).	Achieved	All pupils placed with no waiting lists.
(c)	To ensure that more than 60% of all pupils in PRUs are reintegrated into their mainstream school.	Achieved	Pupils are supported through a partnership approach with their mainstream school to maximise successful re-integration.
2.13 (a)	<b>Behaviour Support Teams (BST)</b> Support schools and individual teachers in their management of pupils with SEBD or other challenging behaviours ensuring at least 80% of support requests are met within two months (excluding July and August).	Likely to be achieved with some delay	Consultations offered to schools and BST Advisory Support delivered. However, the number of Year 1 referrals is resulting in some referrals not being met within the two month target.
(b)	By March 2016 review existing BST processes and ensure a single process reflecting overall best practice is in place.	Not achieved	There is currently diversity in the way that the five legacy ELBs delivered support to schools and teachers in relation to the management of pupils with SEBD.  Contractual obligations and differences in staffing ratios are likely to inhibit progress.
2.14 (a)	<b>School Meals</b> Throughout 2015-16, maintain uptake of school meals at current levels or greater (2014-	Achieved	The total number of pupils taking school meals in accordance with the census data for the 2015-16 year was 147,722

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
	15 baseline levels are 59.9%).		<p>compared to 144,817 in the previous year (+ 2.0%).</p> <p>The indicator set by DE is based on the census data. The 2015 census data published on 14 April 2016 shows an increase in the numbers of pupils taking meals as a percentage of the number of pupils present from 59.9% to 60.7%.</p> <p>Achieved based on 2015 census data and represents an increase of just less than 1% (0.8%).</p>
(b)	Throughout 2015-16 increase uptake of FSM v entitlement by 1% on 2014-15 (2014-15 baseline levels are 80.4%).	Substantially Achieved	<p>The total number of pupils entitled to FSM in accordance with the census data for 2015-16 was 98,306, an increase of 3,448 on the previous year and the uptake was 79,763, an increase of 3,451.</p> <p>This equates to an increase of just less than 1% (0.7%) on the previous year to 81.1% on the published uptake levels for the 2014-15 year.</p>
2.15	<b>Extended Schools (ES)</b> Throughout 2015-16 ensure that ES activities are clearly embedded into School Development Plans (SDPs) and the school's targets for raising standards.	Achieved	SDS officers have worked with participating schools to ensure that all ES activities are clearly embedded into SDPs and targets for raising standards. All SDPs, targets and ES action plans have been reviewed by the team.
2.16	<b>Neighbourhood Renewal Areas (NRAs)</b> Throughout 2015-16 ensure that all education-related NRA projects funded through DE are on track.	Achieved	EA officers have continued to provide advice as required to ensure that all education-related NRA projects funded through DE are on track. All payments and claims made by 31 March 2016.
2.17 (a)	<b>Looked After Children (LAC)</b> Ensure that every looked after child has a Personal Education Plan (PEP) within six months of EA receiving notification that a child is looked after.	Achieved	<p>Belfast, North Eastern and South Eastern Regions LAC-in-education support teams continue to work in partnership with the local Health and Social Care Trusts in supporting the completion of the PEPs with the LAC who are referred to education.</p> <p>Although EA receives notification through the CLA1 process, not all children are</p>

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
			subsequently referred to the EWS for support. The Health and Social Care Trusts have overall responsibility for LAC.
(b)	Ensure a regional approach to meeting the educational needs of LAC through the establishment of a Regional LAC Service.	Likely to be achieved with some delay	EA has identified a regional lead and is working alongside DE to develop an initial proposal for Early Intervention Transformation Programme (EITP) funding in relation to a regional LAC service.
2.18	<b>Sectoral Support Bodies</b> EA is expected to engage constructively with the various education sectoral bodies.	Achieved	EA has engaged with all sectoral bodies on issues such as school improvement, area planning, governor training, transport and catering.
2.19	<b>Youth Services</b>	Achieved	Area plans written encompassing a local assessment of need.
(a)	Throughout 2015-16 to ensure the provision of efficient and effective generic and targeted youth provision, taking account of the assessment of need and Priorities for Youth.		
(b)	Throughout 2015-16 to report on progress of £3.764m allocation to increase access to mainstream youth services in disadvantaged areas and supporting the specific targeting of disadvantaged areas, communities of interest and those at greater risk of social exclusion, marginalisation or isolation through outreach and detached youth work.	Achieved	Funding distributed under agreed EA schemes (Extended Provision and Inclusion).
(c)	By November 2015, to develop and agree a three-year Regional Youth Development Plan (RYDP) for 2016-19.	Not achieved	Interim plan developed.
(d)	Throughout 2015-16 ensure that proportionate monitoring and reporting arrangements are in place.	Achieved	Proportionate Service Level Agreements and Controlled Delivery Agreements.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
(e)	Throughout 2015-16 encourage and facilitate Irish-medium youth work in support of DE's statutory duty.	Achieved	New strategic plan agreed on the development of Irish-medium provision across regional (YCNl) and local levels (EA).
2.20	<b>Sustainable Schools Policy (SSP) Implementation</b> To assess each school annually against the SSP, initially through the Annual Area Profile criteria and in more depth if required, and take steps to address issues identified through the area planning process.	Achieved	Publication of annual school profiles.
2.21	<b>Area Planning</b>	Achieved	All area planning groups constituted and conducting work.
(a)	To implement the governance and support structures to support the continuing development of area planning.		
(b)	To develop, in conjunction with DE, an area planning process that complies with DE priorities and guidance for the delivery of a network of viable and sustainable schools.	Achieved	Work under way to inform 'Providing Pathways' – Draft Strategic Plan for School Provision 2017-2020.
(c)	To implement the proposals contained in the area plans by bringing forward development proposals (DPs) which fully comply with the statutory processes and DE's DP guidance.	Achieved	Action plans for 2015-16 submitted to DE and relevant development proposals published.
(d)	To support any Public Accounts Committee (PAC) appearance arising from the Sustainability of Schools Value For Money report and the implementation of agreed recommendations.	Achieved	Senior EA officers attended PAC hearing as part of delegation working with DE officials to implement recommendations.
2.22	<b>Community Planning</b> Effectively engage district council community planning	Achieved	Officers have commenced this work.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
	fora as a statutory community planning partner and support DE's statutory duty to, where possible, promote and encourage community planning and have regard to community plans.		
2.23	<b>Full Service Schools</b> Throughout 2015-16 to implement the agreed Action Plan and ensure that the £385k allocation supports the mechanisms put in place at the Belfast Boys' Model School and Belfast Model School for Girls to integrate services for the provision of education, family support, health and other community services.	Achieved	Action plans completed and currently being implemented. Engaging with community and statutory partners to implement the five points within the plan.
2.24 (a)	<b>Home to School Transport</b> By March 2016, to have made substantial progress towards unifying the operation of the home to school transport policy with a view to full unification by September 2016.	Likely to be achieved but with some delay	Following the establishment of EA, there has been a priority to put in place the second and third tier management structures.  A fully-developed unified approach across all aspects of transport policy will require approval by the EA board and full unification will not be in place for September 2016.
(b)	To ensure substantial progress towards regionalisation of EA transport provision with a view to completion by September 2016.	Likely to be achieved but with some delay	Substantial work has commenced and is ongoing on a number of key policy areas within transport.  The majority of potential policy revisions will require more detailed work, followed by formal public consultation and EA board approval, and consequently is unlikely to be completed by September 2016.
2.25 (a)	<b>Achieving Belfast</b> By September 2015, have developed and agreed an action plan that addresses the ETI recommendations on	Achieved	Actions have been carried out as detailed in the Achieving Belfast plan.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
		Position at end of March 2016	
No.	Targets/Actions	Status descriptor (e.g. achieved)	Evidence to support status descriptor
	Achieving Belfast, and the findings contained in relevant ETI school inspection reports, and throughout 2015-16 deliver progress against the actions in that plan in line with agreed timescales.		
(b)	<b>Achieving Derry – Bright Futures</b> By September 2015, have developed and agreed an action plan that addresses the ETI recommendations on Achieving Derry - Bright Futures, and the findings contained in relevant ETI school inspection reports, and throughout 2015-16 deliver progress against the actions in that plan in line with agreed timescales.	Achieved	Actions have been carried out as detailed in the Achieving Derry - Bright Futures action plan.
2.26	<b>Integrated Education</b> To support DE in the delivery of its statutory duty to encourage and facilitate the development of integrated education.	Achieved	All services are aware of their statutory duty, and continue to support DE to encourage and facilitate the development of integrated education.
2.27	<b>Irish Medium Education</b> To support DE in the delivery of its statutory duty to encourage and facilitate the development of Irish-medium education.	Achieved	All services are aware of their statutory duty, and continue to support DE to encourage and facilitate the development of Irish medium education. EA officers supported DE in the establishment of Gaelcholaiste Dhoire, Dungiven.
2.28	<b>School Governors – Child Protection</b> By March 2016 to provide school governors with access to child protection training as required.	Achieved	A regional training programme for boards of governors was agreed and publicised which includes opportunity for governors to have access to child protection training as required.
2.29	<b>Community Use of Schools</b> Encourage, facilitate and promote the community use of grant-aided schools premises, to include	Achieved	EA has established a community use of schools sub-committee.

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2. Education Priority: Closing the Performance Gap, Increasing Access and Equality			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
	appointing a standing committee to exercise these functions.		
2.30	<b>Child Protection Support Service for Schools (CPSSS)</b> By the end of November 2015, submit an annual report outlining the support provided to schools to safeguard children and young people.	Not achieved	The format of the annual report for CPSSS has been agreed. Work on compiling the report is ongoing. EA continues to participate in the regional Designated Officers for Child Protection Education Group (DOCPEG) meetings.
2.31 (a)	<b>Community Relations, Equality and Diversity in Education (CRED)</b> By end August 2015, contribute to the PPE for the CRED Business Case (2011-12 to 2015-16).	Achieved	The co-chairs of the CRED Inter-board Panel drafted a response on behalf of EA which was forwarded to DE in August 2015 to contribute to the PPE for the CRED Business Case (2011-12 to 2015-16).
(b)	By end March 2016 to contribute to updating of the CRED policy and to develop plans for its continued support and implementation for schools and statutory youth work settings.	Substantially achieved	The co-chairs of the CRED Inter-board Panel are engaging in ongoing liaison with DE and with SDS and Youth ASEOs to discuss the proposed addendum to the CRED Policy.

3. Education Priority: Developing the Education Workforce			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
3.1	<b>STEM - CPD</b> To implement in 2015-16 a CPD programme for teachers of STEM subjects to the value of £54k.	Achieved	Schools have delivered actions against submitted plans and these have been monitored by EA staff.
3.2 (a)	<b>Training Needs Audit</b> Throughout 2015-16 complete the training needs audit of all schools and report	Achieved	SDPs have identified training needs for priority schools. Professional development and training has been delivered to priority schools and to all

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3. Education Priority: Developing the Education Workforce			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
	<p>how EA has delivered professional development and training as prioritised within existing resource.</p> <p>During autumn 2015 to consult with all schools to confirm and develop a programme of prioritised teacher training, reflective of schools identified needs, to be delivered within funding allocation. This will include the provision of sector-sensitive training for the Irish-medium sector. It will also include any identification of skills gap as a result of more limited access to training in 2014-15.</p>		<p>schools where earmarked funding has been allocated.</p> <p>Provision of sector-sensitive training for the Irish-medium sector has been provided to priority schools by Irish-medium advisory staff.</p>
(b)	By March 2016 have analysed the impact of training provided between September 2014 and December 2015 and use this as a basis for forward planning of delivery of professional learning in the future.	Achieved	Analysis of the impact of training has taken place as part of the SDS ongoing self-evaluation processes.
3.3	<b>Review of Irish Medium</b> Within EA's remit, throughout 2015-16 take forward the following recommendations in the Irish Medium Review Action Plan:		
(a)	Support classroom assistants and ancillary staff in the Irish-medium sector to further develop their language skills.	Achieved	Administration of the bursary scheme was completed by EA.
(b)	Professional development and leadership in consulting with all schools to develop a programme of prioritised teacher training explicitly considering the needs of the Irish-medium sector.	Achieved	Training and support was provided for Irish-medium schools in accordance with agreed priorities and within existing resources.

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3. Education Priority: Developing the Education Workforce			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
	Take forward the project management of the working group of Irish-medium principals established to develop practical and deliverable solutions to help drive school improvement in the sector through collaborative practice.		EA officers facilitated the Irish-medium principals' working group and report was submitted to DE by 31 March 2016.
3.4	<b>Teacher Sickness Absences</b> In 2015-16, reduce teacher sickness absence from 8.04 days to an average of 7.5 days per annum.	Substantially achieved	The teacher sickness absence rate for 2015-16 is 7.66 days per annum.
3.5	<b>EA Staff Absence Management</b> By March 2016 (using percentage days lost), reduce staff absence (for both HQ and school-based non-teaching staff) to 4.75%.	Not achieved	EA's annual sickness percentage of days lost is 5.42% which is 0.67% above the target set by DE.
3.6	<b>PRSD</b> To ensure the successful implementation of the PRSD Scheme in all schools throughout the 2015-16 academic year.	Achieved	Normal administration and implementation of PRSD scheme in controlled schools has taken place.
3.7	<b>Job Evaluation Scheme</b> By December 2015, submit a regional Job Evaluation Scheme to DE for approval.	Likely to be achieved but with some delay	Consideration being given to a pilot exercise in order to move forward to an agreement.
3.8	<b>Voluntary Exit Scheme (VES)</b> Throughout 2015-16, under the direction of DE, manage severance schemes in support of restructuring, subject to resources.	Achieved	Efficiency savings continue to be delivered. The position at the 31 March 2016 is that the total cost for all offers of VES that have been accepted is £13,649,309.  This is in respect of 206 posts. Of this, 182 posts have exited EA on or before 31 March 2016 and 24 will leave on various dates from 1 April 2016 through to 30 September 2016. The Full Year Savings for all 206 posts is £7,692,277.

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<b>3. Education Priority: Developing the Education Workforce</b>			
<b>No.</b>	<b>Targets/Actions</b>	<b>Position at end of March 2016</b>	
		<b>Status descriptor (e.g. achieved)</b>	<b>Evidence to support status descriptor</b>
3.9	<b>Workforce Statistics</b> By December 2015 establish baseline data on the composition of the school-based workforce for the 2013-14 year.	Likely to be achieved but with some delay.	The ELB IT systems do not have the capacity to produce the required data. On 8 December 2015, DE and EA agreed a new target that the data collection exercise would be taken forward in stages, commencing with the largest staff group, classroom assistants.
3.10	<b>Leadership programme</b> By March 2016 every 'first time' principal appointed since April 2015 matched with a serving head as coach/mentor.	Achieved	Recently appointed first-time principals have been matched with a coach/mentor and this process will continue as new principals take up post.
3.11	<b>CPD Programme for Post-Primary Careers Teachers</b> Throughout 2015-16 progress the actions in the agreed Careers CPD Programme Action Plan to deliver a CPD Programme to Post-Primary Careers Teachers in line with agreed timescales.	Achieved	All actions in the agreed Careers CPD Programme Action Plan for delivery of Module 3 of the regional CPD Programme to post-primary careers teachers were delivered in line with agreed timescales.

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4. Education Priority: Improving the Learning Environment			
No.	Targets/Actions	Position @ end March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
4.1 (a)	<b>Shared Campus Programme (Linked to PfG commitment)</b> Throughout the year, effectively fulfil the role of joint Senior Responsible Officer (SRO) with CCMS on Ballycastle, Limavady and Moy Shared Education Campus Projects including support for the completion of feasibility studies and economic appraisals as agreed by the project board.	Achieved	Minutes of project board confirm.
(b)	Establish, in conjunction with CCMS, project boards for announced second call projects within six weeks of the minister's announcement and progress feasibility studies and economic appraisals.	Likely to be achieved with some delay	Meeting between EA, CCMS and DE officials to agree detail on project board establishment.
4.2 (a)	<b>Shared Education (PfG commitment)</b> Establish an effective governance structure for managing the DSC Signature Project.	Achieved	Project board has been established and is meeting every two months.
(b)	To encourage, facilitate and promote shared education to all eligible schools participating in the SESP.	Achieved	400 schools engaged in project.
(c)	To support and monitor schools in receipt of Shared Education Signature project funding in implementing agreed actions plans.	Achieved	Reports to project board confirm.
(d)	Develop and commence implementation of a capacity building strategy for the education workforce.	Achieved	Capacity building strategy has been approved by the project board. CPD programme has commenced.
(e)	Achieve minimum of 95% of agreed budget.	Not achieved	Final 2015-16 spend figures confirm.

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4. Education Priority: Improving the Learning Environment			
No.	Targets/Actions	Position @ end March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
4.3	<p><b>Strule Shared Education Campus Programme (SSEC) (PfG commitment)</b> In 2015-16 to work as appropriate with the SSEC team, Programme and Project Boards.</p>	Achieved	Project Boards have met; meetings with stakeholders have taken place. Memorandum of Agreement approved in April 2016.
4.4 (a)	<p><b>Capital Investment</b> Throughout 2015-16 fully use available budget for minor works in line with Ministerial priorities.</p>	Achieved	Provisional expenditure as at 31 March 2016 totalled £22.214m, representing 99% of the minor works/other capital budget of £22.430m.
(b)	<p>Throughout 2015-16 deliver all major works and Shared Education Programme (SEP) projects in controlled schools in line with programme and budget, ensuring:</p> <ul style="list-style-type: none"> <li>• full spend of available budget for major works and SEP in line with the agreed objectives and expenditure profile for each project; and,</li> <li>• delivery of the major works and SEP projects within programmed timescales.</li> </ul>	Achieved	<p>Provisional expenditure as at 31 March 2016 for schools major works totalled £14.386m, representing 100% of the allocated budget.</p> <p>Provisional expenditure as at 31 March 2016 for SEP Works totalled £11.776m, representing 100% of the allocated budget.</p> <p>All major works and SEP projects in controlled schools were delivered in line with the programmed timescales.</p>
(c)	<p>Throughout 2015-16 assist DE in delivering all minor works, SEP projects and youth projects in non-controlled schools in line with programme and budget, ensuring:</p> <ul style="list-style-type: none"> <li>• full spend of available budget for non-controlled minor works, SEP and youth projects in line with the agreed objectives and expenditure profile for each project; and</li> <li>• delivery of projects on time and in line with the agreed memorandum of understanding.</li> </ul>	Achieved	<p>Throughout 2015-16, EA assisted DE in delivering all non-controlled sector minor works, SEP projects and youth projects, resulting in all projects being completed in line with the respective programmes and budgets.</p> <p>Furthermore, EA continued to carry out extensive scoping in non-controlled properties up to and including 31 March 2016.</p>

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

4. Education Priority: Improving the Learning Environment			
No.	Targets/Actions	Position @ end March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
4.5 (a)	<b>Maintenance Plan</b> Agree with DE an appropriate, prioritised maintenance plan in line with available budget by end September 2015.	Achieved	The recurrent maintenance budget was fully profiled in a project-by-project maintenance plan. This was agreed with DE by September 2015.
(b)	Throughout 2015-16 implement and deliver agreed action plan and provide DE with monitoring reports on a quarterly basis to ensure all targets are met.	Achieved	The maintenance plan was monitored throughout the year with updates provided to DE both at EA's quarterly Capital and Maintenance Investment meetings and also when the funding allocation increased in-year.
4.6 (a)	<b>Asset Management</b> Contribute to the development of a 2015-16 draft asset management plan.	Achieved	Throughout 2015-16 EA representatives attended all scheduled Asset Management Forum meetings that were arranged by DE and actively contributed towards the formation of the Draft Asset Management Plan.
(b)	Throughout 2015-16, EA shall work with DE and the Asset Management Unit at the Strategic Investment Board (SIB) in complying with the latest guidance from Land and Property Services) LPS on disposal of surplus public sector property in Northern Ireland, and ensure that all surplus property in the surplus property audit is on target to be disposed of within three years of being declared surplus, subject to no alternative education or other public sector use and to professional advice as indicated in the guidance.	Achieved	EA identified a number of properties for disposal in 2015-16 and provided DE with updates both at EA's quarterly Capital and Maintenance Investment meetings and also using the part 3 capital return for receipts and asset disposals.
4.7	<b>Risk Assessments</b> Throughout 2015-16, to have completed all statutory risk assessments for schools including fire risk assessments.	Achieved	The following works were carried out in the 2015-16 year: <ul style="list-style-type: none"> <li>• asbestos referrals/pre-demolition surveys;</li> <li>• specific asbestos removals;</li> <li>• complete asbestos removals before demolition;</li> <li>• fire risk assessments;</li> </ul>

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

4. Education Priority: Improving the Learning Environment			
No.	Targets/Actions	Position @ end March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
			<ul style="list-style-type: none"> <li>• legionella surveys; and</li> <li>• radon surveys.</li> </ul>
4.8	<b>C2k</b> In 2015-16 implement the C2k Education Network (NI) contract in accordance with the agreed implementation plan.	Achieved	Reports to C2k Project Board every two months.
4.9	<b>Irish-medium post-primary</b> During 2015-16, work with DE as required to take forward implementation of the review on Irish-medium post-primary education.	Not achieved	Awaiting instruction from DE.

5. Education Priority: Transforming the Governance and Management of Education			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
5.1	<b>Regionalised services</b> Develop and agree with DE a plan for regionalisation of services by end September 2015; (Agreed key services to be regionalised by March 2017, with all remaining services regionalised by March 2018).	Achieved	Project Management Board progress reports supplied on all work programmes. Services regionalised with the cut-over from the geographic structure to the functional with the appointment of directors.
(a)	Directors recruited by December 2015.	Achieved	Five directors recruited and took up their posts between March and April 2016.
(b)	To commence the recruitment process for a chief executive before the first anniversary of the EA board meeting.	Achieved	Business case drafted, submitted to DE and process commenced.
(c)			
5.2	<b>Budget Allocations</b> In 2015-16, contain expenditure within the budgetary limits and set out in respect of:	Achieved	31 March 2016 Provisional MEMR/Outturn Recurrent DE (schools) – underspend of £7.5m or 0.49%

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

5. Education Priority: Transforming the Governance and Management of Education			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
	<ul style="list-style-type: none"> <li>DE (schools recurrent),</li> <li>DE (youth recurrent)</li> <li>Capital (Schools &amp; Youth (split))</li> </ul> with an underspend of no more than 0.75% within each of these main budget areas.	Achieved  Achieved (Schools) Not Achieved (Youth)	DE (Youth) – underspend £206k or 0.67% Capital DE (schools) – underspend £221k or 0.4% DE (Youth) – underspend £380k or 9.51%
5.3 (a)	<b>Available Delegated Budget – Surpluses &amp; Deficits</b> Throughout 2015-16, to reduce the number of schools with a surplus that is in excess of 5% or £75,000, whichever is the lesser, of their delegated budget.	Achieved	31 March 2016 Provisional MEMR/Outturn Reduction of seven schools, from 527 to 520 schools.
(b)	Throughout 2015-16, to reduce the number of schools with a deficit that is in excess of 5% or £75,000, whichever is the lesser, of their delegated budget.	Not Achieved	31 March 2016 Provisional MEMR/Outturn Increase of 14 schools, from 101 to 115 schools.
(c)	To ensure that financial plans for those schools already in deficit, or planning to go into deficit in 2015-16, are formally approved by the chief executive and that they clearly show how the school plans to fully recover this deficit within an acceptable time period (no greater than three years).	Not Achieved	Not all schools deficits are recoverable.  Local Management of Schools (LMS)/RMDs worked through the specific details with all schools whose financial plans were unacceptable.
5.4 (a)	<b>Cash Management</b> During 2015-16, to ensure that EA's overall monthly drawdown of cash is within 5% of the monthly forecast requirement.	Not Achieved	Whilst total overall drawdown was within the 5% of the target, EA did not manage to contain that within individual months.
(b)	To provide a forecast of the 2015-16 cash requirement for the main estimates and ensure the total annual cash drawdown does not exceed	Achieved	Total annual cash drawdown was 1.62% below the agreed estimate.

## PERFORMANCE REPORT

### PERFORMANCE ANALYSIS

#### PROGRESS AGAINST KEY PERFORMANCE INDICATORS

5. Education Priority: Transforming the Governance and Management of Education			
No.	Targets/Actions	Position at end of March 2016	
		Status descriptor (e.g. achieved)	Evidence to support status descriptor
	the limit subsequently agreed at spring supplementary estimates.		
5.5 (a)	<b>Accurate and Timely Accounts</b> To prepare Annual Accounts for 2014-15 for the five ELBs and the Staff Commission for Education and Library Boards (SCELB) in accordance with DE's accounts direction and to a standard that does not subsequently result in qualification by the NIAO for reasons that are considered to be within the control of the respective 2014-15 ELB/SCELB chief executive officer.	Achieved	Annual accounts for the five former ELBs and the SCELB all completed and signed by the Comptroller and Auditor General (C&AG) with no qualifications.
(b)	Submit the five ELBs and SCELB annual accounts for 2014-15 to the Department and the C&AG by 29 May 2015, prepared to a high standard.	Achieved	Annual accounts for the five former ELBs and the SCELB submitted as required.
5.6 (a)	<b>Prompt payment</b> Throughout 2015-16, ensure that 97% of all non-disputed invoices are paid within 30 days of terms date.	Not Achieved	By volume: Average: 89.42% (range 84.64% - 93.04%) By value paid: Average: 96.55% (range 90.72%- 98.32%)
(b)	Throughout 2015-16, maximise the payment of all non-disputed invoices within 10 working days.	Achieved	By volume: Average: 58.49% (range 48.1% - 71.41%) By value paid: Average: 86.26% (range 73.74 - 93.72%)
5.7	<b>Compliance</b> In 2015-16 full compliance with all required procedures and approval requirement in relation to: the delegated limits as set out in the Financial Memorandum; Economic	Achieved	Although EA does not yet have an agreed Scheme of Delegation, all EA business was undertaken in accordance with all relevant guidance.

**PERFORMANCE REPORT**

**PERFORMANCE ANALYSIS**

**PROGRESS AGAINST KEY PERFORMANCE INDICATORS**

<b>5. Education Priority: Transforming the Governance and Management of Education</b>			
<b>No.</b>	<b>Targets/Actions</b>	<b>Position at end of March 2016</b>	
		<b>Status descriptor (e.g. achieved)</b>	<b>Evidence to support status descriptor</b>
	Appraisals; Post-Project Evaluations (including the Northern Ireland Guide to Expenditure, Appraisal and Evaluation); Consultancy; Procurement; DFP guidance; Central Procurement Directorate's (CPD) Guidance notes; and guidance issued by DE.		
5.8	<b>Public Sector Pay Policy</b> In 2015-16 ensure that pay remits align fully with HM Treasury pay policy thresholds as detailed in relevant DFP guidance.	Achieved	All EA pay remits aligned with relevant policy thresholds and guidelines.

## **PERFORMANCE REPORT**

### **PERFORMANCE ANALYSIS**

### **SUSTAINABILITY REPORT**

The ELBs adopted an Environmental Policy Statement in July 2000. This policy concentrated on making the management of estate and travel more environmentally sustainable. There are two main aspects: the management approach and systems including procurement, and its operational environmental impacts covering energy consumption, transport, waste, recycling, water, paper and bio-diversity.

#### **Management Approach and Legal Compliance**

In 2015-16, EA:

- maintained compliance with the European Performance of Buildings Directive and Display Energy Certificates and associated Advisory Reports at all appropriate sites;
- maintained compliance with the Carbon Reduction Commitment Scheme; and
- maintained externally-accredited ISO 14001 Environmental Management System in its Southern and Western Regions.

#### **Energy**

In 2015-16, EA reduced spend on energy by approximately £3m.

Typical measures include:

- gas boiler conversions from oil and solid fuels;
- Building Energy Management Systems (BEMS) - automated control systems to boiler houses;
- utility monitoring via site meters and data loggers;
- windows (double glazing) replacement;
- cavity wall insulation installed;
- roofing insulation upgraded;
- installation of energy efficient LED lighting and lighting controls; and
- renewable energy projects – Solar PV.

#### **Waste and Recycling**

Activities to reduce waste to landfill and increase recycling rates take place across EA's estate including:

- recycling - paper, cardboard, glass, cans, toner cartridges and fluorescent tubes are collected and recycled;
- re-use - teaching materials including books, furniture and other equipment when a school building closes. These resources are relocated to other schools on a needs basis;
- food waste - collection programmes are being rolled out across the estate by councils to comply with the introduction of new food waste regulations;
- a number of offices have entered into CPD Waste Services Contract;
- in-house photocopying facilities improved with new multi-faceted machines facilitating double sided copying;
- maximum use of email for in-house circulars, intranet, minutes etc; and

## **PERFORMANCE REPORT**

### **PERFORMANCE ANALYSIS**

### **SUSTAINABILITY REPORT**

#### **Waste and Recycling (cont'd)**

- paper quantities procured are monitored and assessed in terms of quantities of new and recycled paper.

#### **Water**

Water reduction measures included:

- water cost data utilised in benchmarking process for targeted reduction;
- significant water reduction measures installed in schools including urinal controls. Many schools now have mains water filtration dispensers. Reinstated water monitoring procedures following provision of data by Water NI are also implemented;
- many schools, youth facilities and offices have benefited from investment in modern technology to reduce water consumption including timed flow from wash hand basin taps, urinal controls and filtered mains water fountains rather than bottled water; and
- underground mains leaks have been identified and stopped by replacing old pipework where it is deemed to be value for money. Where possible the incoming water mains supply pipe sizes have been reduced.

#### **Transport**

Efficiency measures included:

- preference given to car sharers in office parking in a number of offices;
- video conferencing available in all EA offices, reducing travel requirements and mileage costs;
- baseline data for business mileage compiled annually together with fuel consumption and distance travelled in respect of the home-to-school transport provision;
- telematics are utilised for monitoring bus driver performance; and
- representation on Schools Transport Advisory Board at the Department of Agriculture and Rural Development (DARD) which promotes Travelwise and the Safer Routes to Schools programme.

#### **Procurement**

Efficiency measures included:

- training and awareness programmes on environmental issues for purchasing staff and development of systems and procedures for implementing green procurement;
- review of contract terms and conditions to ensure that they do not prevent the purchase of re-manufactured refurbished and recycled products and refined mineral oils and vegetable based lubricating oils;
- construction project managers are aware of the need to comply with Statutory Sustainable Construction Group guidance; and
- all construction projects are e-procured and briefed as requiring the achievement of a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating of excellent (new) and very good (refurbishment).

## **PERFORMANCE REPORT**

## **PERFORMANCE ANALYSIS**

## **SUSTAINABILITY REPORT**

### **Education**

In 2015-16, EA supported schools in the promotion and development of environmental policies and practices including:

- the promotion of eco-schools;
- the development of guidelines for schools and identification of where and how specific subjects might contribute;
- networking with outside agencies through Educational for Sustainable Development (ESD); and
- supporting eco-schools accreditation programmes and acting as eco-school assessors.

Over 1,160 schools have demonstrated their environmental credentials by registering and operating the various levels of the eco-schools environmental award programme.

A handwritten signature in black ink, appearing to read 'Gavin Boyd', written over a simple line drawing of a triangle.

**Gavin Boyd**  
**Chief Executive**

**Date:** 28/2/2017

# **ACCOUNTABILITY REPORT**

## **ACCOUNTABILITY REPORT**

## **CORPORATE GOVERNANCE REPORT**

## **DIRECTORS' REPORT**

**Chief Executive:** Mr Gavin Boyd

**Chairperson:** Ms Sharon O'Connor

### **Our Board**

In line with the Education Act (Northern Ireland) 2014, the board of the Education Authority (EA) is made up of 20 members plus the chairperson as set out below:

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

### **Board Membership as at 31 March 2016**

Rev Amanda Adams

Ms Áine Andrews

Fr Timothy Bartlett

Mr David Cargo

Mrs Patricia Carville

Mrs Monica Culbert

Dr Muredach Dynan

Ms Naomi Gowan

Mr Michael Gray-Sloan

Sister Chris Hegarty

Rev Robert Herron

Mr Edgar Jardine

Sir Gerry Loughran

Mrs Nicole Lappin

Mrs Deirdre McDonald

Dr Andy McMorran

Dr Ian McMorris

Mr Raymond Pollock

Miss Rosemary Rainey

Ms Nuala Toman

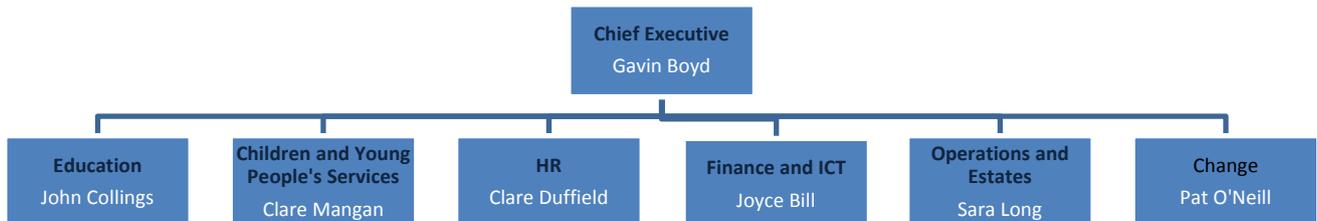
## ACCOUNTABILITY REPORT

## CORPORATE GOVERNANCE REPORT

## DIRECTORS' REPORT

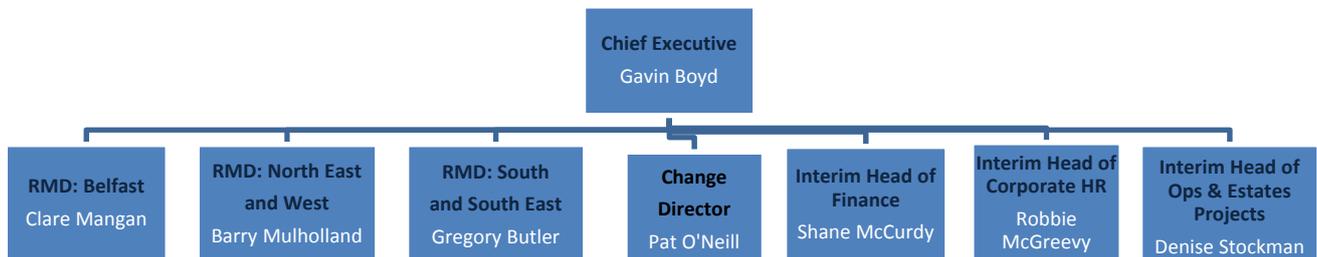
### Executive Directors

EA's executive team consists of the chief executive and directors. The directors took up post on various dates between March and April 2016.



### Interim Senior Management Structure

From 1 April 2015 to 31 March 2016, EA had interim management arrangements in place as set out below:



## ACCOUNTABILITY REPORT

## CORPORATE GOVERNANCE REPORT

## DIRECTORS' REPORT

## POLICY AND PRACTICE ON PAYMENT OF CREDITORS

### PAYMENTS TO SUPPLIERS

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

The government requires that EA pays its trade creditors in accordance with the Better Payment Practice Code and Government Accounting Rules. EA's payment policy is consistent with the Better Payment Practice Code and Government Accounting Rules and unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods and services, or presentation of a valid invoice or similar demand, whichever is later. Increasingly importance is also being attached to payment within 10 days.

The measures of compliance are:

	Based on Invoice Date 2015-16	
	Number	Value £000
Total bills paid in the year	441,488	582,197
Total bills paid within 10 days	258,247	502,211
% of bills paid within 10 days	58.49	86.26
Total bills paid within 30 days	394,795	562,092
% of bills paid within 30 days	89.42	96.55

There were net interest charges of £8k in relation to late payment of invoices.

Further information is available at [http://www.deni.gov.uk/index/8-admin-of-education-pq/prompt\\_payment\\_performance.htm](http://www.deni.gov.uk/index/8-admin-of-education-pq/prompt_payment_performance.htm)

#### Personal Data Related Incidents

There were no personal data related incidents in 2015-16.

#### Complaints Handling

EA is committed to providing high quality services. Complaints are viewed as learning opportunities to continually improve what we do.

In 2015-16, the arrangements for managing and recording complaints differed across the five former ELBs. The records are not held in a way that enables reporting on a regional basis.

A new EA complaints handling procedure was drafted in consultation with the office of the Northern Ireland Public Services Ombudsman and approved by the board in June 2016. Arrangements are now in place to monitor and record complaints handling consistently across all EA services in line with the new procedure.

Anyone wishing to submit a comment or complaint can find all relevant details on the EA website at [www.eani.org.uk/feedback](http://www.eani.org.uk/feedback) or by emailing complaints to [feedback@eani.org.uk](mailto:feedback@eani.org.uk).

**ACCOUNTABILITY REPORT**

**CORPORATE GOVERNANCE REPORT**

**DIRECTORS' REPORT**

**Disclosure of Relevant Audit Information**

The accounting officer is not aware of any relevant audit information of which the NIAO is not aware and that the accounting officer has taken all the steps he ought to make himself aware of any relevant audit information and to establish that the NIAO are aware of it.

## ACCOUNTABILITY REPORT

### CORPORATE GOVERNANCE REPORT

#### STATEMENT OF THE EDUCATION AUTHORITY AND CHIEF EXECUTIVE'S RESPONSIBILITIES

Under Paragraph 5(1) of Schedule 2 to the Education Act (Northern Ireland) 2014, the Education Authority (EA) is required to make arrangements for a statement of accounts to be prepared in such form and containing such information as the Department of Education (DE) may direct.

The accounts are prepared on an accruals basis and must give a true and fair view of EA's state of affairs at the year-end and of its net 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 DE, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The responsibilities of an accounting officer, including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the authority's assets are set out in *Managing Public Money NI* published by the Department of Finance (DoF) (formerly the Department of Finance and Personnel).

As the senior official of EA, the chief executive carried out the responsibilities of accounting officer during the year ended 31 March 2016.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Scope of Responsibility**

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

#### **Purpose of the Governance Framework**

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

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

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

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

The governance framework has been put in place during the course of the year and has continued to operate up to the date of approval of the Annual Report and Accounts, and accords with DoF guidance.

#### **Governance Framework**

EA was established on 1 April 2015 in accordance with the provisions of the Education Act (NI) 2014, replacing the former five ELBs and their Staff Commission. The minister appointed the chairperson and 20 members were appointed by various nominating interests.

EA's business is primarily managed through:

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

## ACCOUNTABILITY REPORT

### GOVERNANCE STATEMENT

#### The Board

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

The attendance of members at board meetings is set out below:

Member	2015-16		
	Meetings Attended	Out of a Possible	%
Ms S O'Connor (Chair)	13	13	100
Rev A Adams	12	13	92
Ms A Andrews	9	13	69
Fr T Bartlett	11	13	85
Mr D Cargo	12	13	92
Mrs P Carville	10	13	77
Mrs M Culbert	8	13	62
Dr M Dynan	13	13	100
Ms N Gowan	6	13	46
Mr M Gray-Sloan	12	13	92
Sr C Hegarty	12	13	92
Rev R Herron	13	13	100
Mr E Jardine	12	13	92
Mrs N Lappin	12	13	92
Sir Gerry Loughran	11	13	85
Mrs D McDonald	12	13	92
Dr A McMorran	12	13	92
Dr I McMorris	13	13	100
Mr R Pollock	11	13	85
Miss R Rainey	13	13	100
Ms N Toman	11	13	85

The overall attendance rate for 2015-16 was 87%.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Finance and General Purposes Committee**

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

There were seven meetings of the Finance and General Purposes Committee during the year with overall member attendance at 93%.

(10 members serve on this committee)

#### **Education Committee**

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

There were seven meetings of the Education Committee during the year during the year with overall member attendance at 86%.

(17 members serve on this committee)

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

The Children and Young People's Services Committee deals with issues in the areas of Pupil Support Services, Youth Services, Special Education in mainstream schools and special schools.

There were eight meetings of the Children and Young People's Committee during the year during the year with overall member attendance at 74%.

(13 members serve on this committee – one appointment was confirmed by the board in January 2016)

#### **Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee supports the board and the chief executive as accounting officer on matters relating to internal control, risk management, corporate governance and assurance.

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

The Audit and Risk Assurance Committee has a responsibility to scrutinise and challenge the adequacy of management responses to issues identified by audit activity and any assurances which are provided to the chief executive as accounting officer. Senior EA officers attend meetings of the Audit and Risk Assurance Committee as do representatives of DE and the Northern Ireland Audit Office.

## ACCOUNTABILITY REPORT

### GOVERNANCE STATEMENT

Attendance at the Audit and Risk Assurance Committee during the year was:

Member	2015-16		
	Meetings Attended	Out of a Possible	%
Mr E Jardine (Chair)	4	4	100
Mr D Cargo	4	4	100
Mrs M Culbert	3	4	75
Dr M Dynan*	3	3	100
Miss R Rainey	4	4	100
Mr R Forrest (Independent External Member)**	2	3	67
Mr T Salmon (Independent External Member)	4	4	100

\* Appointed to Committee by the Board on 27 August 2015

\*\* Appointed as external member on 29 June 2015

There were four meetings of the Audit and Risk Assurance Committee during the year during the year with overall member attendance at 91%.

(Five members serve on this committee – one appointment was confirmed by the board on 27 August 2015; in addition there are two external members of the committee, one of whom was appointed by the board on 29 June 2015).

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Membership Committee**

The Membership Committee makes appointments to boards of governors of controlled, maintained and voluntary schools. It appoints members to serve on statutory appeal tribunals administered by EA and also appoints members to serve on outside bodies as required.

The board, at its meeting on 25 February 2016, agreed that the functions of the Membership Committee and the functions of the Teaching Appointments Committee, in line with the new Teaching Appointments Scheme, should be carried out by a single new committee. The committee became known as the Membership and Teaching Appointments Committee and its new responsibilities include the approval of appointments of principal and vice-principal posts of controlled schools and the appointments and transfer of assistant teachers in controlled schools.

There were five meetings of the Membership Committee during the year during the year with overall member attendance at 62%.

(11 members serve on this committee)

#### **Interim Teaching Appointments Committee**

The Interim Teaching Appointments Committee made appointments to the posts of principal, vice-principal and teachers in controlled schools. An interim arrangement was in place during the year which required a minimum of one member of the board to serve on the committee while consultation took place with stakeholders on an enduring Teaching Appointments Scheme. The board, at its meeting on 28 January 2016, agreed the Teaching Appointments Scheme, the Guidance to the Selection Process and the Scheme for the Management of Controlled Schools.

(13 Members served as chairpersons on Interim Teaching Appointments Committees and attended 57 such meetings)

#### **Community Use of Schools Committee**

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

The first meeting of the Community Use of Schools Committee was on 8 March 2016 with member attendance of 57%.

(Seven members serve on this committee)

#### **Child Protection and Safeguarding Committee**

The Child Protection and Safeguarding Committee is responsible for ensuring compliance with the requirements set out in the Safeguarding Board Act (Northern Ireland) 2011 and the requirements set out in DE legislation and guidance in respect of child protection and safeguarding. There were two meetings of the Child Protection and Safeguarding committee during the year with member attendance at 79%.

(Seven members serve on this committee)

#### **Expulsions Committee**

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

(Three meetings took place during the year involving eight members)

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Review of Effectiveness**

I consider that the EA board members operated effectively during 2015-16, meeting regularly and considering appropriate issues at a strategic level.

EA board members have a corporate responsibility for setting objectives, agreeing priorities and implementing ministerial policy. The members met as a board 13 times during the year and regularly reviewed the progress and management of key risks associated with the delivery of its objectives throughout the financial year. The board was responsible for agreeing a budget, monitoring financial performance and considering key strategic issues and policies, such as those relating to risk management, information assurance and workforce planning.

The board has established a number of sub-committees to oversee projects, initiatives and programmes.

The chairperson reviews the effectiveness of each member during the year.

#### **Highlights of Board Committee Reports**

EA was established on 1 April 2015 and through the establishment of a range of committees has sought to manage its business in an effective way enabling it to focus upon the needs of the organisation.

A major focus was to ensure the continuity of the delivery of front line services and the full range of support services during the transition from the former ELBs.

At the same time EA was required to manage the financial challenges arising from the 2015-16 budget settlement.

In the early months of its operation, the board was focused on considering a programme of high level actions to ensure that the EA would live within the resources made available to it.

The Education Committee continued to progress proposals in relation to area planning and established, on an interim basis, revised management structures for the former Curriculum Advisory Support Service in its transition to a School Development Service whilst progressing a major realignment of staffing through use of the Public Sector Transformation Fund (voluntary severance programme).

The Children and Young People's Services Committee has been reviewing the arrangements for the support frameworks for children and young people presenting with special educational needs and in particular has harmonised the arrangements operating across EA in respect of special education assessment and provision. A transitional framework was agreed in the summer of 2015 and this continues to operate.

Recognising the very significant challenges presenting through the work of the Children and Young People's Services Committee, members have been gaining an understanding of the financial implications and wish to ensure that these practices which most effectively support children in respect of their educational needs are pursued.

Through the Finance and General Purposes Committee, the board oversaw the development of the Savings Delivery Plan and monitored progress in respect of the spend through the year, receiving monthly updates upon progress. This included details on those decisions contributing towards the achievement of the savings in-year, and in particular voluntary severance.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

The committee also reviewed a number of matters relating to harmonising activities and processes operating across EA, both in terms of entitlements such as Home to School Transport as well as management and approvals processes e.g. tenders award and approval.

The Audit and Risk Assurance Committee has reviewed the risks facing EA during its establishment and has received reports and updates from the heads of internal audit on operational matters identified through their programme of internal audit.

The members of the committee also reassured themselves on the detail and integrity of the 2015-16 Savings Delivery Plan.

The committee has also received updates on the Governance and Accountability Review (GAR) meetings, as well as having established a Corporate Risk Register which is reviewed at each meeting.

#### **Account of Corporate Governance**

In accordance with the Corporate Governance Framework, registers of members' and staff interests have been established and are updated regularly. Conflicts of interest relating to members and staff, actual or potential, were appropriately recorded, managed and controlled.

At all committee meetings a standing agenda item is 'Declarations of Interest' and it is brought to the attention of members by the chairperson. Any member with a conflict of interest on a specific agenda item does not participate in that discussion. Codes of Conduct for board members and staff have been established and communicated.

Anti-fraud Policy and Fraud Response Plan, Whistleblowing and Gifts and Hospitality policies based on the practices which operated within the former ELBs are in place, and work is ongoing to develop policies specific to EA. All suspected and proven frauds have been notified to the relevant department in accordance with agreed procedures and there are no suspected frauds that have not yet been notified.

#### **Parliamentary Accountability**

I am the accounting officer for EA and am accountable to the Minister for Education through the DE Permanent Secretary.

As accounting officer I am clear on my responsibilities, and I seek to ensure that resources are managed in line with Treasury guidance. Clear roles and responsibilities of officials are agreed and understood across EA. During 2015-16 interim management arrangements were put in place, and EA was managed largely using the same management structures as previously operated in the ELBs.

#### **Role of the Board Members**

The EA board members provide strategic leadership for the organisation. They oversee delivery of business objectives and are responsible for ensuring the effectiveness of arrangements for risk management and corporate governance, including internal controls. The board has clear terms of reference which set out its responsibilities, in line with Corporate Governance Code.

Board activities and decisions are minuted and a summary of meetings is publicly available.

The business of the Board members is conducted in accordance with standing orders.

## ACCOUNTABILITY REPORT

### GOVERNANCE STATEMENT

#### Authority Effectiveness

Following the appointment of the directors, EA is moving from management structures which operated in the former ELBs and is creating a series of regionally managed services.

The NIAO Report to Those Charged with Governance (RTTCWG) in respect of their audit of the Education and Library Board's 2014-15 Annual Accounts was presented to the Audit and Risk Assurance Committee on 18 April 2016 and matters raised will be progressed where relevant.

The heads of Internal audit provided a satisfactory audit opinion on the internal control systems operating within EA. Areas for improvement were raised with management and actions agreed accordingly. Areas where Internal Audit (IA) was only able to provide limited assurance as a consequence of their audit work are detailed below.

#### Internal Audit Reviews with Limited Assurance

Directorate	Sector	No of Limited Assurances
Education	Primary Schools	8
Finance and ICT	Accounts – Prompt Payment	1
	Procurement - Stores	1
Chief Executive	Records Management	1
	Complaints Handling	1
Children and Young Peoples Services	Special Education – Classroom Assistants Costs	1
	Special School	2
	Extended Schools	1
Human Resources	Staff Records Management	1
Operations and Estates	Schools Meals Services - Income	2
	Transport Child Protection	1
<b>TOTAL</b>		<b>20</b>

#### Primary Schools (8) - LMS Reviews

In eight of the LMS reviews undertaken by IA during the year, they identified instances where LMS Regulations and Procedures were not being fully adhered to. The issues identified are being taken forward by the respective boards of governors. The schools have accepted the recommendations and continue to progress their implementation. Follow up reviews on priority 1 recommendations for all schools with a limited opinion will be completed within the 2016-17 financial year.

#### Accounts - Prompt Payment

The audit found that the downward trend in performance from 2011-12 had continued over 2014-15. Weaknesses identified included the lack of monitoring of schools' breaches of prompt payment. Recommendations have been made which should enhance performance in this area. Prompt payment has been included as an element within the accounts payable audit which is currently underway. An audit report will be issued within the 2016-17 financial year.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Procurement Stores - System Review Linked to a Whistleblower Allegation**

During the year, IA undertook a follow-up review of procurement stores which had previously been given a limited opinion. IA found that a number of the previous recommendations associated with the maintenance of store access records and the completeness of storage records had not been fully addressed and issues remain regarding adherence to the Records Management Policy. As such, the audit opinion remains limited. No follow-up review has been undertaken as the stores are expected to close by the end of January 2017.

#### **Records Management**

Some sections remain inconsistent in their adherence to the Records Management Policy. The follow-up review highlighted that recommendations associated with the completeness and accuracy of records held, retention periods and access to records stores have not been fully addressed. A further review is scheduled to commence in January 2017.

#### **Complaints Handling**

An IA review established that the existing EA Southern Region's Complaints Handling Procedure fell short of recommended best practice. IA recognises that matters are being progressed to ensure a consistent methodology is applied consistently across EA with regards to complaints handling. A follow-up review is scheduled for February 2017.

#### **Special School Reviews**

In two of the special school reviews undertaken during the year, IA identified issues resulting in limited opinions.

1. IA highlighted a number of issues, particularly with cash handling. The investigation identified a culture of cash-based expenditure with superficial financial controls and an absence of any meaningful scrutiny by the board of governors. Recommendations have been accepted by the school to end the culture of cash transactions. A review has confirmed that proper procedures are now being followed.
2. IA highlighted a number of control weaknesses in relation to governance, financial, human resources issues and private school monies. Appropriate recommendations have been made and accepted by the school. The follow-up review has commenced with a report to be issued to the board of governors shortly.

#### **Special Education – Classroom Assistant Costs – South Eastern Region**

The audit sought assurance that mainstream schools' salary claims against the central budgets, for staff providing assistance to statemented children in mainstream schools, were in line with the levels of assistance authorised by the Special Education Service. The findings included a potential net over claim by the sampled schools. A lack of communication between special education, the schools, human resources and payroll was contributing to the problem. The key controls and reconciliations previously identified as crucial elements of managing the risk of budgetary failure and overspend had not been consistently applied to the provision of adult assistance in mainstream schools. There was no reliable reconciliation or quantitative check applied over the claims for special needs adult assistance submitted by schools, and this could give rise to a continuing material level of over-claim by schools. Consequently, the level of assurance available on the control of adult assistance payroll expenditure was unacceptable.

A review in the other four regions did not identify the same issues. Recommendations have been made to address the concerns. A follow-up audit is scheduled for February 2017.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Extended Schools**

The review highlighted serious control weaknesses regarding the financial monitoring of the annual extended schools budget allocation by both EA and the principal in the school. There was also a lack of control in relation to the supervision and management of staff involved in the programmes. Appropriate recommendations have been made to address the weaknesses identified with a follow-up review planned for March 2017.

#### **Human Resources: Staff Records Management**

A sample of staff records reviewed during the audit identified documentation missing from many of the employee files. Both the number and nature of the administrative and procedural errors was of concern to audit. A follow-up audit is currently underway.

#### **School Meals Service - Income**

The IA review highlighted significant issues with the retention of records and reconciliation of income to the bank lodgements. Appropriate recommendations have been made to address the weaknesses identified and a follow-up review has been completed with a draft report prepared which includes a satisfactory audit opinion.

#### **Cash Cafeterias - Income**

The review highlighted that some cash cafeterias operate a cashless payment system, whereby paying children/adults accumulate meals credits through machine cash points located at various sites within each school. Audit testing highlighted examples of poor cash handling practices and it appears that cash handling has not been given the priority required to enable effective management of the associated risks. Recommendations have been accepted with a follow-up review has been completed with a satisfactory audit opinion provided.

#### **Transport - Child Protection**

Whilst IA identified adequate controls in operation for the majority of areas examined in relation to Child Protection some control weaknesses were identified in the area of Home to School Transport. The review highlighted a range of issues regarding child protection in relation to transport including training provided to private operators, and the system used to monitor the expiry of criminal record checks on drivers used by private operators. A follow up review is scheduled to commence in January 2017 to confirm compliance with audit recommendations.

#### **Quality of Data**

EA relies on information from a number of sources to inform its deliberation. These are:

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

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

Gathering corporate information across EA is a significant challenge. Systems continue to operate on the basis of the former ELB areas. Consequently data is gathered and aggregated in the absence of regional systems. Work on improving these reporting mechanisms is in hand.

The finance data presented to the board is prepared from the five former ELBs finance systems, which are supported by internal control frameworks and are subject to both internal and external scrutiny.

Information on attendance is monitored by the HR sections of the five former ELBs.

The heads of internal audit in the five former ELBs, reporting to the change director, prepare reports which summarise the work carried out by their respective Internal Audit teams in the last financial year, and which are used to provide an assurance to the chief executive. No material issues had been found which would affect their opinions.

As part of the wider corporate governance arrangements, heads of sections completed assurance statements, reviewing the control environments for which they are responsible. The results of these statements were reviewed by managers and the regional managing directors to ensure that a comprehensive assessment of the current control issues has been made and that all potential areas of significant risk are being addressed within the internal control environment and audit plan.

The regional managing directors provided an assurance statement to the chief executive in relation to those areas for which they were responsible, covering:

- corporate governance;
- system of internal control;
- risk management;
- fraud and losses;
- statutory duties;
- information security; and
- issues of concern for inclusion in the governance statement 2015-16.

The board considers the information contained in papers presented to them by appropriate senior officers to make decisions.

Papers are prepared by officers and subject to review by the relevant director before presentation to the board. Directors have in place effective monitoring arrangements to ensure the accuracy of data used for decision making.

EA is also reliant on external data to help us make informed decisions. While we seek to establish the accuracy of any such external data, it has been generated from outside the control of the board and as such we cannot give the same level of assurance.

### **Ministerial Directions**

There were no Ministerial decisions issued by DE or DfE (formerly the Department for Employment and Learning) to EA during the year.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

#### **Risk Assessment**

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

A Risk Management Strategy and Policy are in place, developed by the Risk Management Group and endorsed by the chief executive and the Audit and Risk Assurance Committee.

The Risk Management Strategy outlines the strategic approach to risk management and details a formal process for identifying, assessing, managing and monitoring risks, including a prioritisation methodology based on risk ranking of impact and likelihood.

Risk management is continuing to evolve as EA develops. With the recent appointment of directors, the processes will become fully embedded into EA's business and services and will feature within the corporate and business planning process. The Corporate Risk Register identifies key risks that could militate against the achievement of the corporate objectives and action that is taken to reduce those risks. The Corporate Risk Register is considered to be a living document as the mitigation of risks is under continuous review.

The Corporate Risk Register is regularly reviewed by the senior management team, the Audit and Risk Assurance Committee and is presented to the EA board.

#### **Significant Issues Faced During 2015-16**

During 2015-16 the EA identified, communicated and managed significant continuing risk following its establishment on 1 April 2015.

There was and remains a significant body of work in moving all operational business practice to a consistent and harmonised means of operation across EA.

#### **Governance**

With the establishment of the organisation on 1 April 2015, all actions necessary to manage affairs were taken. Standing orders were established and confirmed at the first board meeting on 30 April 2015. The main committee structures were agreed and were operating by June 2015.

#### **Vacancy Control**

EA has continued to operate a system of vacancy control, in light of the significant financial pressures presenting in the 2015-16 year. Vacancy control aims to ensure that all reasonable steps are taken to safeguard and secure the employment of existing staff, recognising the need to keep open all possible means to redeploy staff, avoid creating new posts and use all available expedients to manage vacancies which might arise within defined groups to reduce the potential for redundancies.

#### **Financial Management and Reporting**

The development of the budget for 2015-16 was protracted with final approval achieved in August 2015.

The senior management team as well as the Finance and General Purposes Committee and the Audit Risk and Assurance Committee, monitored and reviewed the position during the course of the year, Monthly Expenditure and Monitoring Reports (MEMRs) were returned to DE. Issues were also discussed regularly with senior DE officials including the permanent secretary and formally through the Governance and Accountability Review meetings.

## **ACCOUNTABILITY REPORT**

### **GOVERNANCE STATEMENT**

Work on the procurement of a new financial system was completed during the year, and the new system went live on 5 December 2016.

The new human resources and payroll elements of this system will be implemented during 2017-18.

The timetable for this project is challenging. Whilst delivery of the financial element continues apace, there are particular challenges for EA in respect of the human resources/payroll element.

### **Management Structures, Voluntary Exit Scheme and Additional Responsibility Awards (ARAs)**

From 1 April 2015, EA was effectively operating as a single organisation but with five separate administrative regions (the five former ELBs). Pending the appointment of EA directors, three regional managing directors (RMDs) oversaw the local management of services in these areas. The change director continued with the implementation of the post-Day 1 programme of work, where possible with the RMDs.

Due to the Voluntary Exit Scheme (VES), EA has seen the suppression of 205 posts across all senior, middle and junior grades of staff.

As a consequence of the changes in managerial structures within each of the five areas, in line with opportunities to facilitate offers of voluntary severance, interim management arrangements were established, pending the appointment of directors and the agreement of future organisation structures. Additional Responsibility Awards (ARAs) were used to compensate individuals taking on additional responsibilities in the interim, so as to ensure business continuity and service management.

All ARAs are to be removed by end of April 2017 and EA will be required to ensure business continuity and risk mitigation by putting in place other alternative interim arrangements if new enduring management and functional structures are not in place.

### **Harmonised Working**

With the establishment of a single organisation, considerable efforts have been made to align business processes and local policies, focusing initially on those identified in the change programme as essential to the creation of EA. Further work remains in completing this process as the regionalisation of the organisation cascades down the management structure.

### **Schools Financial Management**

The constraints upon public finances meant that schools, through local management arrangements, continued to face significant challenges in seeking to contain their expenditure with the budgets allocated. Schools in-year deficits increased by £5m whilst the anticipated drawdown of surplus funds did not materialise.

EA board members established a working group to look at schools financial management arrangements and the sanctions available to EA in seeking to bring a greater discipline to budget approval and monitoring arrangements. This work continues.

### **Issues raised by Regional Managing Directors**

## ACCOUNTABILITY REPORT

### GOVERNANCE STATEMENT

RMDs' reports identified that there were no issues of concern for inclusion within the 2015-16 Governance Statement for the Belfast, North Eastern or Southern Regions.

The returns for the South Eastern Region identified the following issues:

- management of absence within the targets set by the DE for teaching and non-teaching staff prove to be extremely challenging, notwithstanding the pro-active work undertaken by EA HR staff;
- CYPS staff implemented a number of actions following an internal audit report which highlighted concerns regarding classroom assistance spend. Training for all budget-holders has taken place and a number of reporting templates/processes reviewed to assist communication in preparation for MEMR reporting;
- casual sickness absence, particularly among special education staff continues to be challenging. As there was some evidence indicating a decline in adherence to good practice, all managers were reminded of the importance of working in accordance with the Managing Attendance Policy. Monitoring arrangements are in place in seeking to ensure that staff are adhering to this; and
- unfilled vacancies across a number of CYPS business areas e.g. Education Welfare Service has put pressure on the service provided.

The returns for the Western Region identified the following issues:

- absence of agreed policies in relation to redeployment of staff, and pay protection of staff displaced following restructuring;
- absence targets for teaching and non-teaching staff prove to be extremely challenging even with pro-active work undertaken by EA HR staff;
- ongoing financial demands within Special Education have placed pressure on alternative education provision such as EOTAS; and
- specific Learning Development has significant waiting lists arising out of the literacy screening process.

### Corporation Tax

An unintended consequence of the wording of the the EA establishing legislation brought EA within the scope of Corporation Tax. The EA is liaising with DE in order for them to take forward this issue with HMRC and the DoF. Resolution of the issue may require an amendment to legislation, and it is the intention to apply this retrospectively.

### Conclusion

In conclusion, as chief executive and accounting officer for EA, I can confirm that the Governance Statement has been formally reviewed by the Audit and Risk Assurance Committee, that it is complete and accurately reflects the latest assessment of the state of governance within EA.



**Gavin Boyd**  
Accounting Officer

**Date:** 28/2/2017

## **ACCOUNTABILITY REPORT**

### **REMUNERATION AND STAFF REPORT**

#### **Board Members**

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

#### **Chief Executive and Senior Officers**

Mr Gavin Boyd acted as chief executive of EA for the 2015-16 year. Mr Boyd is an employee of DE and as such his salary is paid by DE. Details can be found in the DE Annual Report and Accounts at the following link <https://www.education-ni.gov.uk/publications/department-education-resource-accounts-year-ended-31-march-2016>

EA completed the process of appointing a permanent senior management team in January 2016. Five directors were appointed, three of whom took up post during the 2015-16 year with the remaining two directors taking up their posts in April 2016.

During 2015-16, EA employed three regional managing directors.

The remuneration of the senior officers was in accordance with their terms when employed in the former ELBs. No increases were agreed for senior officers during 2015-16.

The remuneration of the directors is determined in accordance with a performance management framework with a process to ensure that objectives are demanding, achievable and fair. Objectives for directors will be set by the chief executive who will also undertake the subsequent assessment. Oversight of the processes will be exercised by the Remuneration Committee. Objectives will be informed by the strategic direction and performance objectives set for EA by the DE and will be defined and agreed with time-based targets.

#### **Remuneration Committee Members**

##### **April 2015 – March 2016**

Ms Sharon O'Connor  
Mr Ian McMorris  
Miss Rosemary Rainey  
Mrs Deirdre McDonald  
Ms Nuala Toman

The Remuneration Committee did not meet during the year.

#### **Service Contracts**

Officer appointments are in accordance with the Joint Negotiating Council (JNC) for the Education Authority terms and conditions.

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

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

##### Salary including Allowances – Audited Information

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

	Salary inc allowance 2015-16 £000s (See Note 1 overleaf)	Performance related pay 2015-16 £000s	Pension Benefits 2015-16 (to nearest £1000)	Total 2015-16 £000s	Salary inc allowance 2014/15 £000s	Performance related pay 2014/15 £000s	Pension Benefits 2014/15 (to nearest £1000)	Total 2014/15 £000s
<b>Ms Clare Mangan</b> Regional Managing Director Belfast to 31 March 2016	90 - 95	0 - 5	27,000	115 - 120	90 - 95	0 - 5	23,000	115 - 120
<b>Mr John Collings</b> Director of Education from 1 March 2016	5 - 10 (Full year equivalent 85 - 90)	0	2,000	5 - 10	-	-	-	-
<b>Ms Joyce Bill</b> Director of Finance and ICT from 21 March 2016	0 - 5 (Full year equivalent 80 - 85)	0	1,000	0 - 5	-	-	-	-
<b>Mr Shane McCurdy</b> Interim Head of Finance	95 - 100	0 - 5	78,000	175 - 180	90 - 95	0 - 5	15,000	115 - 120
<b>Mr Robbie McGreevy</b> Interim Head of Corporate Human Resources	75 - 80	0 - 5	25,000	105 - 110	75 - 80	0 - 5	16,000	90 - 95
<b>Mr Barry Mulholland</b> Regional Managing Director Western and North Eastern Regions retired on 31 March 2016	105 - 110	0 - 5	31,000	135 - 140	100 - 105	0 - 5	14,000	120 - 125
<b>Mr Gregory Butler</b> Regional Managing Director Southern and South Eastern Regions retired on 31 March 2016	90 - 95	0 - 5	30,000	125 - 130	85 - 90	0 - 5	22,000	110 - 115

## **ACCOUNTABILITY REPORT**

### **REMUNERATION AND STAFF REPORT**

#### **EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS**

##### **Salary including Allowances (Note 1)**

Salary is based on actual salary earned for the year. It includes gross salary and taxable travel payments but excludes employer's costs. Performance-related pay is an accrual based on actual performance in 2014-15 which becomes due in 2015-16.

Mr Gavin Boyd acted as chief executive of EA for the 2015-16 year. Mr Boyd is an employee of DE and as such his salary is paid by DE. Details can be found in the DE Annual Report and Accounts.

Mr Pat O'Neill and Ms Denise Stockman acted as Change Director and Interim Director, Operations and Estates Projects respectively for the 2015-16 year. They are both employees of the Strategic Investment Board and as such their salaries are paid by the Strategic Investment Board.

##### **Benefits In Kind**

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

##### **Performance-Related Pay**

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

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

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

##### Pension Entitlements - Audited Information

	Total value of accrued pension and lump sum at 65 at 31/03/16 £000s	Real increase in pension and lump sum at 65 £000s	CETV at 31/03/16 £000s	CETV at 31/03/15 £000s	Real increase in CETV £000s
<b>Ms Clare Mangan</b> Regional Managing Director Belfast Region to 31 March 2016	5 – 10 plus lump sum of 0	0 – 2.5 plus lump sum of 0	70	44	16
<b>Mr John Collings</b> Director of Education from 1 March 2016	0 – 5 plus lump sum of 0	0 – 2.5 plus lump sum of 0	2	-	1
<b>Ms Joyce Bill</b> Director of Finance and ICT from 21 March 2016	0 - 5 plus lump sum of 0	0 – 2.5 plus lump sum of 0	0	-	0
<b>Mr Shane McCurdy</b> Interim Head of Finance	35 – 40 plus lump sum of 80 - 85	2.5 – 5 plus lump sum of 2.5 -5	665	589	64
<b>Mr Robbie McGreevy</b> Interim Head of Corporate Human Resources	15 – 20 plus lump sum of 30 - 35	0 – 2.5 plus lump sum of 0	271	249	15
<b>Mr Barry Mulholland</b> Regional Managing Director Western and North Eastern Regions retired on 31 March 2016	45 – 50 plus lump sum of 105 - 110	0 – 2.5 plus lump sum of 0	948	894	43
<b>Mr Gregory Butler</b> Regional Managing Director Southern and South Eastern Regions retired on 31 March 2016	5 – 10 plus lump sum of 0	0 – 2.5 plus lump sum of 0	105	72	23

##### Compensation Payable on Early Severance

The following senior officers left the employment of EA during the financial year, incurring the costs disclosed below:

Mr B Mulholland left under the Voluntary Severance Scheme 2015-16 and received a compensation payment of £203k. An additional actuarial cost of £119k was incurred.

Mr G Butler left under the Voluntary Severance Scheme 2015-16 and received a compensation payment of £185k. An additional actuarial cost of £12k was incurred.

No compensation was payable on flexible retirement during the year.

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the board's pension arrangements and for which the Department of Finance's Superannuation Scheme Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

##### Real Increase in CETV

When calculating the real increase in CETV and the pension benefits accrued during the 2015-16 year for the single total figure of remuneration, Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) takes account of inflation. The Consumer Price Index (CPI) increase for September 2015 was -0.1%. Consequently, the Pensions Increase factor for April 2016 will be 0% as the Pensions (Increase) Act (Northern Ireland) 1971 does not provide for a negative increase in these circumstances. Additionally, the negative revaluation of Career Average Revalued Earnings (CARE) benefits accrued takes place after midnight on 31 March so the revaluation of CARE benefits will be reflected in the following year.

The factors used to calculate the member's CETV were updated by the Government Actuary's Department in March 2016, so the factors used to calculate the member's CETV as at 31 March 2016 are not the same ones used to calculate their CETV as at 31 March 2015.

##### Pay Multiples – Audited Information

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

The banded remuneration of the highest paid director in the Education Authority and the ratio to the median remuneration of the workforce is given in the table below:

	<b>Period ended 31 March 2016 £000</b>
Band of highest paid director's total remuneration (full year equivalent)	100-105
Median remuneration (teaching staff)	£38,043
Ratio (teaching staff)	2.67
Median remuneration (non-teaching staff)	£13,999
Ratio (non-teaching staff)	7.25

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### EMOLUMENTS OF SENIOR POST HOLDERS AND MEMBERS

##### Pay Multiples – Audited Information (cont'd)

The band of the highest paid director's remuneration of 100-105k excludes any salary arrears which were paid in year. Salary arrears of 0-5k are included in the total salary reported in the remuneration report and accounts for the difference between the figures reported.

In 2015-16 no employee received remuneration in excess of the highest paid director. Remuneration ranged from £22,022 to £90,283 for teaching staff and from £13,500 to £101,551 for non-teaching staff.

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

##### Board Members – Audited Information

The total emoluments (including honoraria) of the chairperson were £51,707.

The highest payment for any other board member was £11,807.

The aggregate amount of board members' emoluments was £240,578.

No members waived emoluments. Twenty-one members made a claim for emoluments during the 2015-16 year.

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

£	2015-16 Number
1 - 4,999	-
5,000 - 9,999	13
10,000 - 14,999	7
15,000 - 19,999	-
50,000 - 54,999	1

As the authority did not exist previously there is no prior year comparator.

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Staff Costs comprise:

*The following section is subject to audit*

	2015-16			
	Permanent staff £000	Temp staff £000	Others £000	Total £000
<b>Teaching</b>				
Wages and salaries	564,164	73,593	24	637,781
Social Security costs	47,008	5,126	-	52,134
Other pension costs	100,211	11,922	-	112,133
Other employee expenses	17,967	-	-	17,967
	<u>729,350</u>	<u>90,641</u>	<u>24</u>	<u>820,015</u>
Less recoveries in respect of outward secondments	(7)	-	-	(7)
	<u>729,343</u>	<u>90,641</u>	<u>24</u>	<u>820,008</u>
<b>Non-Teaching (including Board Members)</b>				
Wages and salaries	246,298	102,725	1,858	350,881
Social Security costs	12,350	3,830	32	16,212
Pension costs	47,574	6,210	73	53,857
Other employee expenses	16,824	-	-	16,824
	<u>323,046</u>	<u>112,765</u>	<u>1,963</u>	<u>437,774</u>
Less recoveries in respect of outward secondments	(200)	-	-	(200)
	<u>322,846</u>	<u>112,765</u>	<u>1,963</u>	<u>437,574</u>
<b>TOTAL</b>	<u><b>1,052,189</b></u>	<u><b>203,406</b></u>	<u><b>1,987</b></u>	<u><b>1,257,582</b></u>

In accordance with the Government Financial Reporting Manual (FReM), the transfer of the assets and liabilities to the Education Authority was accounted for under absorption accounting. As a result, there is no disclosure of comparative figures for the preceding financial year.

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Average Number of Persons Employed:

*The following section is subject to audit*

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

	<b>2015-16</b>			
	<b>Permanent staff</b>	<b>Temporary staff</b>	<b>Others</b>	<b>Total</b>
Teaching	15,017	3,794	1	18,812
Non-Teaching	12,527	7,412	84	20,023
<b>TOTAL</b>	<b>27,544</b>	<b>11,206</b>	<b>85</b>	<b>38,835</b>

Additional staff costs were capitalised during the year of £2,066k which equates to 55 whole-time equivalent persons and are included in Note 10 of the Financial Statements.

##### Pension Obligations

*The following section is subject to audit*

As explained in the Accounting Policies section of the Financial Statements (paragraph 1.14, page 95) the Education Authority participates in two principal schemes, the Teachers' Superannuation Scheme (TSS) and the Northern Ireland Local Government Officers' Superannuation Committee.

The Education Authority has included pension costs in relation to these schemes as follows:

	<b>£000</b>
Teachers' Superannuation Scheme (TSS)	112,133
Northern Ireland Local Government Superannuation Scheme (NILGOSC)	53,857
	<b>165,990</b>

For 2015-16 the employer's contribution rate to the Teacher's Superannuation Scheme was 17.7%.

For 2015-16 the employer's contribution rate to the Northern Ireland Local Government Pension Scheme was 20%.

NILGOSC is a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis. The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2013 with the next formal valuation due at 31 March 2016. Although the formal valuation will be at 31 March 2016, this valuation will not be available until March 2017. A valuation was carried out by a qualified independent actuary for the purposes of meeting the requirements of IAS19 for these accounts.

## ACCOUNTABILITY REPORT

## REMUNERATION AND STAFF REPORT

## STAFF REPORT

### Pension Obligations (cont'd)

The major assumptions used by the actuary were:

	<b>At 31 March 2016</b>
Rate of increase in salaries	3.3%
Rate of increase in pensions	1.8%
Discount rate	3.5%
Inflation assumption	1.8%

The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last formal valuation date. The current funding level is 91% at 31 March 2013 (82% at 31 March 2010) leaving a funding shortfall of £467m. In order to contain the growth of this deficit, employer contribution rates have increased accordingly and are currently set at 20% in the current year, with a commitment to remain at 20% for three years from 1 April 2014.

<b>Statement of Financial Position</b>	<b>2016 £000</b>
Fair value of assets	<b>1,494,033</b>
Present value of funded defined benefit obligation	<b>(1,960,304)</b>
Present value of unfunded defined benefit obligation	<b>(18,678)</b>
<b>Pension (liability) recognised in the Statement of Financial Position</b>	<b>(484,949)</b>

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Pension Obligations (cont'd)

<b>Changes to the Present Value of Defined Benefit Obligation During the Accounting Period</b>	<b>2015-16 £000</b>
<b>Opening Defined Benefit Obligation</b>	<b>2,018,661</b>
Current service cost	69,251
Interest on the defined benefit obligation	63,982
Contributions by participants	15,872
Actuarial (gains)/losses on liabilities – experience	(15,607)
Actuarial (gains)/losses on liabilities – demographic assumptions	-
Actuarial (gains)/losses on liabilities – financial assumptions	(119,577)
Past service cost	1,793
Curtailments	-
Settlements	-
Business combinations	-
Payment of unfunded benefits	-
Net benefits paid out	(55,393)
<b>Closing Defined Benefit Obligation</b>	<b>1,978,982</b>

<b>Changes to the fair value of assets during the accounting period</b>	<b>2015-16 £000</b>
<b>Opening Fair Value of Assets</b>	<b>1,436,282</b>
Interest income on plan assets	46,244
Contributions by participants	15,872
Employer contributions in respect of funded benefits	55,341
Employer contributions in respect of unfunded benefits	1,239
Actuarial Gains/(Losses) on assets	(5,552)
Settlements	-
Business combinations	-
Payment of unfunded benefits	(1,239)
Net benefits paid out of the fund	(54,154)
<b>Closing Fair Value of Employer Assets</b>	<b>1,494,033</b>

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

#### Pension Obligations (cont'd)

#### Charges to the Statement of Comprehensive Net Expenditure

<b>(1) Amounts included in Purchase of Goods and Services</b>	<b>2015-16 £000</b>
Current service cost	69,251
Past service cost	1,793
Curtailments and settlements	-
Decrease in irrecoverable surplus	-
<b>Total operating charge</b>	<b>71,044</b>
Employer contributions in respect of funded benefits	(55,341)
Employer contributions in respect of unfunded benefits	(1,239)
<b>Net Operating Charge/(Credit)</b>	<b>14,464</b>

<b>(2) Amounts charged to Pension Financing Charges</b>	<b>2015-16 £000</b>
Interest income on plan assets	(46,244)
Interest on the defined benefit obligation	63,982
<b>Net return</b>	<b>17,738</b>

<b>(3) Amounts recognised in Other Comprehensive Expenditure (OCE)</b>	<b>2015-16 £000</b>
Liability gains/(losses) due to change in assumptions	119,577
Liability experience gains/(losses) arising during the year	15,607
Actuarial gains/(losses) on plan assets	(5,552)
<b>Total gains/(losses) recognised in OCE</b>	<b>129,632</b>

## ACCOUNTABILITY REPORT

## REMUNERATION AND STAFF REPORT

## STAFF REPORT

### Pension Obligations (cont'd)

#### Amounts for the current accounting period

	<b>2015-16</b> <b>£000</b>
Fair value of employer assets	1,494,033
Present value of defined benefit obligation	(1,978,982)
<b>Pension asset/(liability)</b>	<b>(484,949)</b>
Experience Gains/(Losses) on plan assets	(5,552)
Experience Gains/(Losses) on liabilities	15,607
Actuarial Gains/(Losses) on assets	(5,552)
Actuarial Gains/(Losses) on liabilities	135,184
<b>Actuarial Gains/(Losses) recognised in OCE</b>	<b>129,632</b>

### Sensitivity Analysis

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

The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. If the yield used to discount each future benefit payment decreases, then the value placed on the liabilities increases. The results are also sensitive to unexpected changes in the rate of future mortality improvements. If longevity improves at a faster rate than allowed for in the assumptions, then, again, a higher value would be placed on the employer's liabilities. In addition, if pensionable pay increases more than allowed for in the assumptions, the active liability will increase. Similarly, if inflation (and therefore pension increases) is higher than assumed, this will increase the value of the liabilities. If the liabilities increase, the employer's statement of financial position will worsen.

The sensitivity of the principal assumptions used to measure the liabilities as at 31 March 2016 are set out overleaf.

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Pension Obligations (cont'd)

###### Discount rate assumption

Adjustment to discount rate	<b>+0.1% pa</b>	<b>-0.1% pa</b>
Present value of total obligation (£000s)	1,922,083	1,999,285
% change in present value of total obligation	-1.9%	2.0%
Projected service cost (£000s)	63,799	67,865
Approximate % change in projected service cost	-3.1%	3.1%

###### Rate of general increase in salaries

Adjustment to salary increase rate	<b>+0.1% pa</b>	<b>-0.1% pa</b>
Present value of total obligation (£000s)	1,971,157	1,949,582
% change in present value of total obligation	0.6%	-0.5%
Projected service cost (£000s)	65,807	65,807
Approximate % change in projected service cost	0.0%	0.0%

###### Rate of increase to pensions in payment and deferred pensions assumption

Adjustment to pension increase rate	<b>+0.1% pa</b>	<b>-0.1% pa</b>
Present value of total obligation (£000s)	1,988,322	1,932,717
% change in present value of total obligation	1.4%	-1.4%
Projected service cost (£000s)	67,865	63,799
Approximate % change in projected service cost	3.1%	-3.1%

###### Post retirement mortality assumption

Adjustment to mortality age rating assumption	<b>-1 year</b>	<b>+1 year</b>
Present value of total obligation (£000s)	2,010,889	1,909,673
% change in present value of total obligation	2.6%	-2.6%
Projected service cost (£000s)	67,941	63,671
Approximate % change in projected service cost	3.2%	-3.2%

Each factor is considered in isolation i.e. the 'impact on liability' assumes all other factors are constant.

###### Comment on Mortality Assumptions

The mortality assumptions affect the length of time the benefits would be expected to be paid for. Life expectancy is based on the Self-Administered Pension Scheme (SAPS) year of birth tables with improvements from 2007 in line with the Medium Cohort and a 1% p.a. underpin. Mortality loadings were applied to the SAPS tables based on membership class. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>Males</b>	<b>Females</b>
Current pensioners	22.3	24.8
Future pensioners	24.5	27.2

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Staff Composition

The analysis of EA's employees by gender at 31 March 2016 is as follows:

	Male	Male %	Female	Female %	Total	Total %
Directors	1	33	2	67	3	100
Senior Management	4	100	0	0	4	100
Employees Permanent – Teaching	3,369	21	12,560	79	15,929	100
Employees Temporary – Teaching	768	18	3,495	82	4,263	100
Employees Permanent – Non-Teaching	3,600	18	16,963	82	20,563	100
Employees Temporary – Non-Teaching	2,678	19	11,247	81	13,925	100

##### Sickness Absence Data

The average number of days lost through sickness between April 2015 and March 2016 was 7.66 days for teachers and 9.28 days for non-teaching staff.

##### Staff Policies

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

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

##### Off-payroll Engagements

EA is required to disclose any details of 'off payroll' engagements at a cost of over £58,200 pa that were in place during the year ended 31 March 2016.

Opening number of 'off-payroll' engagements at 1 April 2015	3
The number of new engagements 'off-payroll' during the year	-
The number of engagements that have come onto payroll during the year	-
The number of engagements that have come to an end during the year	(1)
The closing number of engagements 'off-payroll' at 31 March 2016	2

##### Expenditure on Consultancy

External consultancy spending during 2015-16 was £NIL.

##### Temporary Staff

Temporary staff costs in 2015-16 amounted to £203,406k. Further information is provided in the Staff Report (page 68).

## ACCOUNTABILITY REPORT

### REMUNERATION AND STAFF REPORT

#### STAFF REPORT

##### Reporting of compensation and exit packages for all staff 2015-16

*The following section is subject to audit*

##### Teaching Staff

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total number of Exit Packages
Less than £10,000	4	5	9
£10,000-£25,000	4	8	12
£25,000-£50,000	21	36	57
£50,000-£100,000	11	13	24
£100,000-£150,000	-	-	-
£150,000-£200,000	-	-	-
£200,000-£250,000	-	-	-
<b>Number of Exit Packages</b>	<b>40</b>	<b>62</b>	<b>102</b>
<b>Resource Cost £000</b>	<b>1,717</b>	<b>2,164</b>	<b>3,881</b>

##### Non-Teaching Staff

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total number of Exit Packages
Less than £10,000	99	56	155
£10,000-£25,000	21	57	78
£25,000-£50,000	7	81	88
£50,000-£100,000	1	79	80
£100,000-£150,000	-	25	25
£150,000-£200,000	-	7	7
£200,000-£250,000	-	2	2
<b>Number of Exit Packages</b>	<b>128</b>	<b>307</b>	<b>435</b>
<b>Resource Cost £000</b>	<b>734</b>	<b>14,538</b>	<b>15,272</b>
<b>Total Number of Exit Packages</b>	<b>168</b>	<b>369</b>	<b>537</b>
<b>Total Resource Cost £000</b>	<b>2,451</b>	<b>16,702</b>	<b>19,153</b>

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

## **ACCOUNTABILITY REPORT**

### **REMUNERATION AND STAFF REPORT**

#### **STAFF REPORT**

##### **Reporting of compensation and exit packages for all staff 2015-16 (cont'd)**

Teachers' redundancy payments were made in accordance with the Teachers Premature Retirement Compensation Scheme relevant for 2015-16.

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

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

## ACCOUNTABILITY REPORT

### ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

#### ASSEMBLY ACCOUNTABILITY REPORT

##### i. Losses and Special Payments

*The following sections are subject to audit*

###### Losses Statement

	No. of Cases	2015-16 £000
(a) Cash losses	255	82
(b) Claims abandoned	54	27
(c) Administrative write-offs	-	-
(d) Fruitless payments	2	12
(e) Stores losses	446	210
	<b>757</b>	<b>331</b>

No individual payment exceeded £250,000.

###### Special Payments

	No. of Cases	2015-16 £000
(a) Ex-gratia payments	-	-
(b) Extra statutory payments	-	-
(c) Redundancy payments	523	19,073
	<b>523</b>	<b>19,073</b>

No individual payment exceeded £250,000.

##### ii. Fees and Charges

*The following section is subject to audit*

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

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

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

**ACCOUNTABILITY REPORT**

**ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT**

**ASSEMBLY ACCOUNTABILITY REPORT**

**ii. Fees and Charges (cont'd)**

	<b>2015-16 £000</b>
Full cost	64,685
Less: Income	(30,414)
Rurality Element	(787)
Net cost	<u><b>33,484</b></u>
Number of paid meals	12,070
Number of free meals	13,840
Total number of meals	<u><b>25,910</b></u>
Average Gross Cost per meal	<u><u>£2.50</u></u>

**iii. Remote Contingent Liabilities**

*This section is subject to audit*

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

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



**Gavin Boyd**  
**Accounting Officer**

**Date:** 28/2/2017

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

I certify that I have audited the financial statements of the Education Authority for the year ended 31 March 2016 under the Education Act (Northern Ireland) 2014. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. 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 Assembly Accountability Disclosures that is described in that report as having been audited.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of the Board and Chief Executive's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Education Act (Northern Ireland) 2014. 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 Education Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Education Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report 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 the Assembly 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 the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Education Authority's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Education Act (Northern Ireland) 2014 and Department of Education directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the parts of the Remuneration and Staff Report and Assembly Accountability disclosures to be audited has been properly prepared in accordance with Department of Education directions made under the Education Act (Northern Ireland) 2014; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

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

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

**Report**

I have no observations to make on these financial statements.



*KJ Donnelly*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*Belfast*  
*BT7 1EU*

*9 March 2017*

# **FINANCIAL STATEMENTS**

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2016**

*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.*

	<b>Note</b>	<b>2015-16 £000</b>
Income from sale of goods and services	<b>3</b>	(52,380)
Other operating income	<b>4</b>	(2,472)
<b>Total operating income</b>		<b>(54,852)</b>
Staff costs	<b>5</b>	1,257,582
Purchase of goods and services	<b>6</b>	367,197
Depreciation and impairment charges	<b>7</b>	70,313
Provision expense	<b>6</b>	(584)
Notional costs	<b>8</b>	3,276
Other operating expenditure	<b>9</b>	21,638
<b>Total operating expenditure</b>		<b>1,719,422</b>
<b>Net operating expenditure</b>		<b>1,664,570</b>
Finance income		-
Finance expense		17,738
<b>Net expenditure for the period</b>		<b>1,682,308</b>
Credit in respect of notional costs		(3,276)
<b>Net expenditure transferred to the SoCNE reserve</b>		<b>1,679,032</b>
<b>Other comprehensive net expenditure</b>		
<u>Items that will not be reclassified to net operating costs:</u>		
Machinery of Government transfer of net assets	<b>29</b>	(994,987)
Net (gain)/loss on revaluation of Property, Plant and Equipment		(108,724)
Net (gain)/loss on revaluation of Intangible assets		(7)
Actuarial (gain)/loss on pension scheme liabilities		(129,632)
<b>Comprehensive net expenditure for the period</b>		<b>445,682</b>

All amounts above relate to continuing activities.

The notes on pages 88 to 130 form part of these accounts.

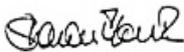
**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

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

	Notes	2016 £000
<b>Non-current assets</b>		
Property, plant and equipment	10	1,949,884
Intangible assets	11	319
Trade and other receivables	15	551
<b>Total non-current assets</b>		<b>1,950,754</b>
<b>Current Assets</b>		
Assets classified as held for sale	12	885
Inventories	14	1,385
Trade and other receivables	15	40,576
Cash and cash equivalents	16	3,004
<b>Total current assets</b>		<b>45,850</b>
<b>Total Assets</b>		<b>1,996,604</b>
<b>Current Liabilities</b>		
Trade and other payables	17	(139,824)
Provisions	18	(3,232)
<b>Total current liabilities</b>		<b>(143,056)</b>
<b>Total assets less current liabilities</b>		<b>1,853,548</b>
<b>Non-current Liabilities</b>		
Other payables	17	(157,925)
Provisions	18	(3,787)
Pension liabilities	22	(484,949)
<b>Total non-current liabilities</b>		<b>(646,661)</b>
<b>Total assets less total liabilities</b>		<b>1,206,887</b>
<b>Taxpayers' equity and other reserves</b>		
SoCNE reserve		1,101,293
Pension reserve		(484,949)
Revaluation reserve		590,543
		<b>1,206,887</b>

The Financial Statements on pages 83 to 130 were approved by the board on 26 January 2017 and were signed on its behalf by:

**Chairperson:**  **Date:** 28/2/2017

**Chief Executive:**  **Date:** 28/2/2017

The notes on pages 88 to 130 form part of these accounts.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016**

*The statement of cash flows shows the changes in cash and cash equivalents of the Education Authority during the reporting period. The statement shows how the authority 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 the authority. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the authority's future public service delivery.*

	<b>Notes</b>	<b>2015-16 £000</b>
<b>Cash flows from operating activities</b>		(1,682,308)
Net expenditure for the period		
 <u>Adjustments for non-cash transactions:</u>		
Notional costs	<b>8</b>	3,276
Depreciation and impairment charges	<b>7</b>	70,313
Increase/(decrease) in pension liability		32,202
(Profit)/loss on disposal of property, plant and equipment	<b>6</b>	917
(Increase)/decrease in inventories	<b>14</b>	139
Increase/(decrease) in trade and other receivables <i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	<b>15</b>	9,314
Decrease in trade and other payables <i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	<b>17</b>	(8,770)
Use-of-provisions	<b>18</b>	(1,356)
<b>Net cash outflow from operating activities</b>		<b>(1,576,273)</b>
 <b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment		(67,346)
Purchase of intangible assets		-
Proceeds of disposal of property, plant and equipment		2,618
<b>Net cash outflow from investing activities</b>		<b>(64,728)</b>
 <b>Cash flows from financing activities</b>		
Grants from sponsoring department		1,652,569
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI (and other service concession) contracts		(13,406)
Issues of loans		-
Loans repaid		-
<b>Net financing</b>		<b>1,639,163</b>

The notes on pages 88 to 130 form part of these accounts.

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016 (cont'd)**

<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<b>(1,838)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,842</b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>3,004</u></b>

The notes on pages 88 to 130 form part of these accounts.

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**STATEMENT OF CHANGES IN TAXPAYER'S EQUITY FOR THE PERIOD ENDED 31 MARCH 2016**

*This statement shows the movement in the year on the different reserves held by the Education Authority 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 Statement of Comprehensive Net Expenditure (SoCNE) reserve represents the total assets less liabilities of the authority, to the extent that the total is not represented by other reserves and financing items.*

	<b>SoCNE Reserve £000</b>	<b>Pension Reserve £000</b>	<b>Revaluation Reserve £000</b>	<b>Total Reserves £000</b>
Balance at 31 March 2015	1,069,117	(582,379)	508,249	994,987
Funding from Sponsoring Departments:				
- Recurrent funding	1,600,443	-	-	1,600,443
- Capital funding	50,794	-	-	50,794
- Other funding	3,687	-	-	3,687
Capital proceeds surrendered to Sponsoring Department	(2,355)	-	-	(2,355)
Transfers between reserves	58,337	(32,202)	(26,135)	-
Comprehensive net expenditure for the period	(1,679,032)	-	-	(1,679,032)
Revaluation gains and losses	-	129,632	108,731	238,363
Disposal of property, plant and equipment	302	-	(302)	-
<b>Balance at 31 March 2016</b>	<b>1,101,293</b>	<b>(484,949)</b>	<b>590,543</b>	<b>1,206,887</b>

The notes on pages 88 to 130 form part of these accounts.

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1 STATEMENT OF ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the 2015-16 FReM issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Education Authority for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Education Authority are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Education Authority is a new public sector body which was established under the Education Act (Northern Ireland) 2014, following Royal Assent on 11 December 2014. The Education Authority has subsumed six of DE's 13 current NDPBs (the five Education and Library Boards and Staff Commission for Education and Library Boards).

The dissolution of the ELBs came into effect on 1 April 2015 following the Education (2014 Act) (Commencement No. 1) Order (Northern Ireland) 2015, and on this date the ELBs and Staff Commission transferred to the Education Authority. The Education Authority Implementation Team, a team embedded within the Department of Education also transferred to the Education Authority on the transfer date. Expenditure incurred during the period from 12 December 2014 up to 31 March 2015 in relation to the Education Authority Implementation Team has been reported as part of the DE Resource Accounts for 2014-15.

In accordance with the FReM, the transfer of the assets and liabilities to EA was accounted for under absorption accounting. As a result of this treatment there are no comparators included within these accounts.

In light of this event, management has reviewed the appropriateness of the preparation of the financial statements on a going concern basis. The services that were provided by the five Education and Library Boards continue to be provided using the same assets by the Education Authority. The Education Authority will continue to be funded by the Department for the foreseeable future. For these reasons, the Education Authority will continue to adopt the 'going concern' basis in preparing the annual report and financial statements.

**1.1 Accounting Convention**

These accounts have been prepared under the historical cost convention, modified by the revaluation of property, plant and equipment, and, where material, stocks to fair value as determined by the relevant accounting standard.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.2 Recognition of Income and Funding**

**1.2.1 Departmental Funding**

The main source of funding for the organisation is allocations (grants-in aid) from the Department of Education and the Department for the Economy. All grants-in aid, whether for revenue or capital purposes, are recognised on a cash receipts basis and are treated as contributions from controlling parties giving rise to a financial interest in the residual interest of the organisation, and hence are accounted for as financing i.e. by crediting them to the SoCNE reserve.

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

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

**1.2.3 Other Operating Income**

Other operating income comprises revenue grants received from other bodies for specific purposes and is restricted in use. This includes income from the New Opportunities Fund (NOF), European Union (EU) funding and other sources, and is included in the Statement of Comprehensive Net Expenditure to the extent that it matches against the relevant expenditure incurred during the period. Grant income received during the period which is not matched to relevant expenditure incurred during the same period is shown as either accrued or deferred income on the Statement of Financial Position.

**1.2.4 Capital Grants**

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

**1.3 Grants Payable**

Grants and bursaries payable of a revenue nature are charged to the Statement of Comprehensive Net Expenditure in the year they are paid.

**1.4 Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the Statement of Comprehensive Net Expenditure in the period in which they arise.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.5 Taxation**

**1.5.1 Corporation Tax**

An unintended consequence of the wording of the EA establishing legislation brought EA within the scope of Corporation Tax. EA is liaising with DE in order for them to take forward this issue with HMRC and DoF. Resolution of the issue may require an amendment to legislation, and it is the intention to apply this retrospectively.

**1.5.2 Value Added Tax (VAT)**

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

**1.6 Property, Plant and Equipment**

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

**1.6.1 Recognition**

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

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to the organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £3,000.

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

**1.6.2 Schools Estate**

**1.6.2.1 Ownership**

Publicly-owned schools and school meals accommodation in the controlled sector are owned by the Education Authority and included as non-current assets on the organisation's Statement of Financial Position. Where school meals accommodation in the maintained sector is owned by the organisation they are also included as non-current assets on the organisation's Statement of Financial Position.

**EDUCATION AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.6.2.2 Valuation of Land and Buildings**

All land and buildings assets which are owned by the Education Authority are capitalised and included in the statement of financial position at fair value. The basis of valuation for each of the property types are as follows:

<b>Property Type</b>	<b>Asset Category</b>	<b>Basis of Valuation</b>
Offices and stores	Non specialised: operational  Land and buildings owner occupied for the purpose of the undertaking	<b>Existing Use Value</b>
Schools	Specialised: operational  Land and buildings owner occupied for the purpose of the undertaking	<b>Depreciated Replacement Cost</b>
Surplus assets	Non operational  Properties surplus to requirements/ held for sale	<b>Lower of carrying value or market value</b>

Where there is a clear intention to dispose of an asset within the next 12 months, the asset is categorised and shown separately as part of current assets.

Full valuations are made by Land and Property Services (LPS) every five years. The last full valuation was at 31 March 2013 and in the intervening years these valuations are updated using appropriate indices obtained from LPS.

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

**1.6.2.3 Reversionary Trusts**

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

**1.6.3 Assets other than Land and Buildings**

Assets other than land and buildings are carried at fair value. Fair values are updated annually using appropriate indices or professional valuations.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.6.4 Depreciation**

Depreciation is not provided on the following assets:

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

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

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

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

<b>Asset Class</b>	<b>Asset Sub-class</b>	<b>Asset Life</b>
Lands	Land	Not depreciated
Buildings	Permanent Buildings	50 years
	Modular Buildings	40 years
	Temporary Buildings	15 years
Computers	Hardware & Software	3 years
Plant & Equipment	Machinery	15 years
	Music Equipment	10 years
	General and Other	10 years
	Reprographics	7 years
	Grounds Maintenance	7 years
	Cleaning	7 years
Vehicles	>33 Seater Mini-buses	14 years
	33 Seater Mini-buses	10 years
	Grounds Maintenance	7 years
	Small Mini-buses	5 years
	Vans	5 years
	Cars	4 years

**1.7 Intangible Assets**

Intangible assets comprise software and software licences.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.7.1 Recognition**

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

An intangible is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to the organisation;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has a cost of at least £3,000.

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

**1.7.2 Amortisation**

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

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

<b>Asset Class</b>	<b>Asset Sub-Class</b>	<b>Asset Life</b>
Intangible Assets	Software Licences	3 years

**1.8 Non-current Assets Held for Sale**

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

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset must be available for immediate sale in its present condition subject only to terms that are usual or customary for sales of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset, and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.9 Impairment Losses**

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

If an impairment loss arises which has not resulted from a loss of economic value or service potential the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure. Impairment losses that arise from a clear consumption of economic benefits or service potential are charged in full to the Statement of Comprehensive Net Expenditure with an amount up to the value of the impairment being transferred from the revaluation reserve to the general reserve.

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

**1.10 Inventories**

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

**1.11 Cash and Cash Equivalents**

Cash and cash equivalents include cash-in-hand and deposits held at call with banks.

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

**1.12 Provisions**

Provisions are recognised when:

- the Education Authority has a present obligation as a result of a past event;
- it is probable that the Education Authority will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.12 Provisions (cont'd)**

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

**1.13 Employee Benefits**

Under the requirements of IAS 19 'Employee Benefits' the cost of providing employee benefits is recorded in the Statement of Comprehensive Net Expenditure in the period in which the benefit is earned by the employee, rather than when it is paid or payable. This is applicable to both short term and long term benefits and comprises the cost of any untaken leave that has been earned at the year end.

**1.14 Pension Scheme**

The Education Authority's employees belong to two principal schemes:

- the Teachers' Superannuation Scheme (TSS); and
- the Northern Ireland Local Government Officer's Superannuation Committee Scheme (NILGOSC).

**1.14.1 The Teachers' Superannuation Scheme (TSS)**

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

The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance. The TSS is a multi-employer defined benefit scheme and the Education Authority is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TSS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year in the Statement of Comprehensive Net Expenditure.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

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

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

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31 March 2013. A further valuation was due at 31 March 2016 but the results of this are not yet available. The fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the last formal valuation date. The current funding level is 91% at 31 March 2013 (82% at 31 March 2010) leaving a funding shortfall of £467m. In order to contain the growth of this deficit, employer contribution rates have increased accordingly and are currently set at 20% in the current year, with a commitment to remain at 20% for three years from 1 April 2014.

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

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

**1.15 Reserves**

The **SoCNE Reserve** represents the accumulated financial position of the Education Authority.

The **Pension Reserve** represents the cumulative balance on the NILGOSC pension fund.

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

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

A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.16 Finance and Operating Leases**

Leases are classified as either a finance lease or an operating lease depending on the substance of the agreement.

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets.

An operating lease is a lease other than a finance lease. Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal annual amounts over the lease term.

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

**1.17 Private Finance Initiative (PFI) Transactions**

**1.17.1 On Statement of Financial Position PFI Contracts**

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

Where there is infrastructure and the Education Authority controls:

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

then the PFI transaction is deemed to be a service concession within the meaning of IFRIC 12 from the Education Authority's viewpoint.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.17.1 On Statement of Financial Position PFI Contracts (cont'd)**

In these cases the Education Authority recognises the infrastructure as a non-current asset and values it in the same way as other non-current assets of that generic type. The liability to pay for the infrastructure is also recorded on the statement of financial position. The initial amount recorded for the asset and liability is the fair value of the infrastructure asset. Subsequently, the asset is depreciated over the useful economic life of the class of assets to which it has been assigned and the associated liability is reduced as payments for the asset are made. An imputed finance charge on the liability is recorded in subsequent years using a property – specific rate. The remainder of the PFI payments (i.e. the full payments, less the capital repayment and the imputed finance charge) are recorded as an operating cost. Other obligations which exist in relation to the PFI contract are accounted for in accordance with IAS 37 Provisions: Contingent liabilities and contingent assets. The Education Authority recognises the asset when it comes into use. In cases where the Education Authority has made contributions to the operator in advance of the asset coming into use, these contributions are shown within prepayments and amortised to the Statement of Comprehensive Net Expenditure in equal amounts over the assets useful life.

**1.17.2 Off Statement of Financial Position PFI Contracts**

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

**1.18 Financial Instruments**

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

**1.18.1 Financial Assets**

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

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

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

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**1.18.1 Financial Assets (cont'd)**

**Available for Sale Financial Assets**

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

**Loans and Receivables**

Trade receivables, loans and other receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Receivables are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for financial assets other than trade receivables, where the carrying amount is reduced through an allowance for irrecoverable debts, changes in which are recognised in the Statement of Comprehensive Net Expenditure. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

**1.18.2 Financial Liabilities**

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

Financial liabilities are initially recognised at fair value.

Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired.

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.18.3 Risk Management**

The principal financial risks to which the Education Authority is exposed follow below.

**Liquidity Price Risk**

The Education Authority's net revenue resource requirements are largely financed by grants from its sponsoring Departments, just as its capital expenditure is. The Education Authority is not therefore exposed to significant liquidity risks.

**Credit Risk**

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

**Foreign Currency Risk**

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

**Interest Rate Risk**

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

**1.19 Contingencies**

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

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

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

**1.20 Estimation Techniques**

**1.20.1 Financial Instruments - Fair Value Adjustment**

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

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**1.20.2 Employee Benefits**

The estimation technique employed in the calculation of employee benefits is disclosed in Note 1.13.

**1.20.3 Provisions**

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

**1.21 Operating Segments**

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

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

**1.22 Early Departure Costs**

**1.22.1 Non-Teaching**

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

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

**1.22.2 Teaching**

Teachers' redundancy payments were made in accordance with the Teachers' Premature Retirement Compensation Scheme relevant for 2015-16.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**2 STATEMENT OF OPERATING COSTS BY OPERATING SEGMENT**

The chief operating decision-maker is the senior management team made up of the chief executive, and senior officers of the Education Authority.

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

The following services represent the required 75% of funding for disclosure; and are selected based on the level of expenditure incurred, in-year (including all segments representing over 10% of total funding) until the required 75% is reached.

**Schools' Delegated Budget**

This represents the funding delegated directly to the schools in the Education Authority area through the Common Funding Formula, plus later in-year delegations of funding, for example earmarked initiatives.

**Earmarked Funds**

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

**Children & Young People's Service**

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

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

**Other**

Other includes all those services not requiring individual disclosure and does not include any services which exceed 10% of total funding.

The Education Authority's financial position at the year ended 31 March 2016 is analysed between these services as follows:

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**2 STATEMENT OF OPERATING COSTS BY OPERATING SEGMENT (cont'd)**

	2015-16				
	Schools' Delegated Budget £000s	Earmarked/ ring fenced £000s	C&YPS £000s	Other £000s	Total £000s
Gross Expenditure	909,123	216,448	200,325	308,987	1,634,883
Income	(8,358)	(317)	(926)	(43,466)	(53,067)
<b>Net Expenditure</b>	<b>900,765</b>	<b>216,131</b>	<b>199,399</b>	<b>265,521</b>	<b>1,581,816</b>

**2.1 RECONCILIATION BETWEEN OPERATING SEGMENTS AND SOCNE**

	2015-16				
	Schools' Delegated Budget £000	Earmarked/ ring fenced £000	Special Schools £000	Other £000	Total £000
<b>Total net expenditure reported for operating segments</b>	<b>900,765</b>	<b>216,131</b>	<b>199,399</b>	<b>265,521</b>	<b>1,581,816</b>
Reconciling items:					
Notional costs	-	-	-	-	3,276
Depreciation and Impairment charges	-	-	-	-	70,313
IAS19 pension costs	-	-	-	-	32,202
(Profit)/loss on disposal of property, plant & equipment	-	-	-	-	917
Movement in Provisions	-	-	-	-	(1,356)
PFI Dual Reporting Adjustment	-	-	-	-	(8,181)
Other non-cash items	-	-	-	-	(164)
DHSSPS recurrent grant expenditure	-	-	-	-	3,485
Capital income from external resources	-	-	-	-	-
<b>Total net expenditure per Statement of Comprehensive Net Expenditure</b>	<b>900,765</b>	<b>216,131</b>	<b>199,399</b>	<b>265,521</b>	<b>1,682,308</b>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**3 INCOME FROM SALE OF GOODS AND SERVICES**

	<b>2015-16 £000</b>
Catering operations	32,146
Recoupment of costs	2,772
Tuition fees	3,282
Letting of halls	886
Outdoor education charges	1,407
Other income generating activities	4,981
Miscellaneous	6,906
	<hr/> <b>52,380</b> <hr/>

**4 OTHER OPERATING INCOME**

	<b>2015-16 £000</b>
European funds	192
New Opportunities Fund/Big Lottery	288
Capital Income – EU/NOF	-
Other Grants	1,992
	<hr/> <b>2,472</b> <hr/>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**5 STAFF COSTS**

**Staff Costs comprise:**

	<b>2015-16</b>			
	<b>Permanent staff £000</b>	<b>Temporary staff £000</b>	<b>Others £000</b>	<b>Total £000</b>
<b>Teaching</b>				
Wages and salaries	564,164	73,593	24	637,781
Social Security costs	47,008	5,126	-	52,134
Other pension costs	100,211	11,922	-	112,133
Other employee expenses	17,967	-	-	17,967
	729,350	90,641	24	820,015
Less recoveries in respect of outward secondments	(7)	-	-	(7)
	729,343	90,641	24	820,008
<b>Non-Teaching (including Board Members)</b>				
Wages and salaries	246,298	102,725	1,858	350,881
Social Security costs	12,350	3,830	32	16,212
Pension costs	47,574	6,210	73	53,857
Other employee expenses	16,824	-	-	16,824
	323,046	112,765	1,963	437,774
Less recoveries in respect of outward secondments	(200)	-	-	(200)
	322,846	112,765	1,963	437,574
<b>TOTAL</b>	<b>1,052,189</b>	<b>203,406</b>	<b>1,987</b>	<b>1,257,582</b>

Further detail in relation to staff costs can be found in the Staff Report within the Accountability Report.

**EDUCATION AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH**

**6 PURCHASE OF GOODS AND SERVICES**

	<b>2015-16 £000</b>
Premises and grounds costs	99,835
Supplies and services	156,973
Transport costs	69,488
Establishment costs	18,059
Miscellaneous	7,461
 Non-cash items:	
Pension Costs	14,464
Loss on disposal of property, plant and equipment	917
Profit on disposal of property, plant and equipment	-
Provisions provided for in year	2,338
Provisions not required written back	(2,922)
	<b>366,613</b>
	<b>366,613</b>

**Purchase of goods and services includes:**

	<b>2015-16 £000</b>
Rentals under operating leases – Land & Buildings	360
Rentals under operating leases – Other	700
PFI (and other service concession arrangements) service charges	47,343
Interest charges	8
Hospitality	153
	<b>48,564</b>
	<b>48,564</b>

During the year the Education Authority purchased £NIL non-current services from its auditor.

**7 DEPRECIATION AND IMPAIRMENT CHARGES**

	<b>2015-16 £000</b>
Depreciation of property, plant and equipment	94,733
Amortisation of intangible assets	228
Deficit on revaluation of property, plant and equipment	(24,648)
	<b>70,313</b>
	<b>70,313</b>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**8 NOTIONAL COSTS**

	<b>2015-16 £000</b>
Auditors' remuneration	195
Land and Property Services	1
Teachers' payroll	3,080
	<hr/> <b>3,276</b> <hr/>

**9 OTHER OPERATING EXPENDITURE**

	<b>2015-16 £000</b>
Grants payable:	
DHSSPS	3,485
Other	18,153
	<hr/> <b>21,638</b> <hr/>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**10 PROPERTY, PLANT AND EQUIPMENT**

<b>2015-16</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles</b>	<b>Information Technology</b>	<b>Plant &amp; Machinery</b>	<b>Payments on Account &amp; Assets under Construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or Valuation</b>							
At 1 April 2015	361,836	1,512,633	83,130	119,364	51,460	27,990	2,156,413
Additions	413	20,166	4,678	3,785	3,582	26,321	58,945
Asset Transfer	-	13,128	517	-	-	(13,645)	-
Disposals	-	(809)	(2,617)	(50,465)	(1,362)	-	(55,253)
Revaluation	15,548	130,543	59	299	517	-	146,966
Transferred to non-current assets held for sale	(272)	-	-	-	-	-	(272)
Transferred to Intangible assets	-	-	-	-	-	(177)	(177)
<b>At 31 March 2016</b>	<b>377,525</b>	<b>1,675,661</b>	<b>85,767</b>	<b>72,983</b>	<b>54,197</b>	<b>40,489</b>	<b>2,306,622</b>
<b>Depreciation</b>							
At 1 April 2015	-	127,313	48,749	95,164	31,289	-	302,515
Charge in year	-	72,300	6,913	11,833	3,687	-	94,733
Disposals	-	(114)	(2,292)	(50,462)	(1,204)	-	(54,072)
Revaluation	-	12,994	34	212	322	-	13,562
Impairments	-	-	-	-	-	-	-
Transferred to non-current assets held for sale	-	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>-</b>	<b>212,493</b>	<b>53,404</b>	<b>56,747</b>	<b>34,094</b>	<b>-</b>	<b>356,738</b>
<b>Carrying Amount at 31 March 2016</b>	<b>377,525</b>	<b>1,463,168</b>	<b>32,363</b>	<b>16,236</b>	<b>20,103</b>	<b>40,489</b>	<b>1,949,884</b>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**10 PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Asset Financing	Land	Buildings	Vehicles	Information Technology	Plant & Machinery	Payments on Account & Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
Owned	359,070	1,222,557	32,363	7,569	20,103	40,489	1,682,151
Short leasehold	53	158	-	-	-	-	211
Long leasehold	17,457	84,966	-	-	-	-	102,423
Finance leased	870	17,290	-	-	-	-	18,160
On-Balance Sheet (SoFP) PFI (and other service concession arrangements)	75	138,197	-	8,667	-	-	146,939
<b>Carrying Amount at 31 March 2016</b>	<b><u>377,525</u></b>	<b><u>1,463,168</u></b>	<b><u>32,363</u></b>	<b><u>16,236</u></b>	<b><u>20,103</u></b>	<b><u>40,489</u></b>	<b><u>1,949,884</u></b>

A full revaluation exercise of all land and buildings assets was carried out by Land and Property Services during the 2012-13 financial year to provide an updated valuation as at 31 March 2013. The next scheduled valuation will be as at 31 March 2018.

Valuations in respects of assets other than land and buildings are updated annually using appropriate indices or professional valuations.

Should non-current assets be sold, proceeds from the sale can only be retained with the approval of the Departments and otherwise must be surrendered to the Departments.

The net book value of property, plant and equipment includes an amount of £13,644,255 in respect of assets held in Reversionary Trusts i.e. if properties cease to be used as specified in the deeds they will revert to the ownership of the trustees.

The net book value of property, plant and equipment noted above does not include maintained schools, apart from school meals kitchens accommodation operating on these sites, which are owned by the Education Authority. The ownership of maintained schools rests with the trustees. In 2015-16 there were 496 such schools.

The net book value of property, plant and equipment includes an amount of £nil in respect of donated assets.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**11 INTANGIBLE ASSETS**

2015-16	Software Licences	Payments on Account & Assets under Construction	Total
	£000	£000	£000
<b>Cost or valuation</b>			
At 1 April 2015	770	-	770
Transferred from Property, Plant and Equipment	-	177	177
Additions	91	-	91
Asset Transfer	177	(177)	-
Disposals	-	-	-
Impairments	-	-	-
Revaluation	(6)	-	(6)
<b>At 31 March 2016</b>	<b>1,032</b>	<b>-</b>	<b>1,032</b>
<b>Amortisation</b>			
At 1 April 2015	498	-	498
Charged in year	228	-	228
Disposals	-	-	-
Impairments	-	-	-
Revaluation	(13)	-	(13)
<b>At 31 March 2016</b>	<b>713</b>	<b>-</b>	<b>713</b>
<b>Carrying Amount at 31 March 2016</b>	<b>319</b>	<b>-</b>	<b>319</b>
<b>Asset Financing</b>			
Owned	319	-	319
Finance Leased	-	-	-
<b>Carrying Amount at 31 March 2016</b>	<b>319</b>	<b>-</b>	<b>319</b>

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**12 ASSETS CLASSIFIED AS HELD FOR SALE**

	<b>Land £000</b>	<b>Buildings £000</b>	<b>Other property, plant and equipment £000</b>	<b>Intangible assets £000</b>	<b>Total £000</b>
<b>Opening balance At 1 April 2015</b>	2,911	-	-	-	2,911
Assets classified as held for sale in the year	272	-	-	-	272
Revaluation	93	-	-	-	93
Assets sold in the year	(2,354)	-	-	-	(2,354)
Impairment of assets held for sale	(108)	(17)	-	-	(125)
Enhancements	71	17	-	-	88
Assets no longer classified as held for sale	-	-	-	-	-
<b>Closing balance at 31 March 2016</b>	<b>885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>885</b>

All assets classified as held for sale meet the under noted conditions:

- committed to a plan to sell;
- active program to locate a buyer initiated;
- actively marketed for sale;
- available for sale in present condition; and
- expected to be disposed of within 12 months of being classified as non-current assets held for sale'.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**12 ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)**

At 31 March 2016 non-current assets held for sale comprise:

- land at Drumlegagh PS;
- land and buildings at Faughan Valley HS;
- land and buildings at former Ballymoney Music Centre;
- land and buildings at Garvagh Museum;
- land at Keady PS;
- land at Rathfern;
- land at Seacourt;
- land at Mersey Street PS;
- land and buildings at former School of Music, Belfast; and
- land at Turf Lodge Youth Club.

Land at Seacourt and the former Manor Drive Central Meals Kitchen, along with land and buildings at Garvagh Museum, were transferred into assets held for sale in the year as they met the relevant criteria noted above.

Assets sold in the year comprised the following:

- land at the former Ardkeen Outdoor Pursuit Centre, Kircubbin;
- land at Ballykillaire, Bangor;
- land at the former Ballypriormore PS;
- land at Maghera HS; and
- land at Roslyn Street Youth Club.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

<b>13</b>	<b>IMPAIRMENTS</b>	<b>2015-16 £000</b>
	Credited to the Statement of Comprehensive Net Expenditure (Note 7)	(24,648)
	Credited to the Revaluation Reserve	(248)
		<b>(24,896)</b>
		<b>(24,896)</b>
<b>14</b>	<b>INVENTORIES</b>	<b>2015-16 £000</b>
	Catering	731
	Maintenance and central depots	654
		<b>1,385</b>
		<b>1,385</b>
<b>15</b>	<b>TRADE RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>2015-16 £000</b>
	<b>Amounts falling due within one year:</b>	
	Trade receivables	6,242
	Other receivables	47
	Prepayments and accrued income	26,626
	EU Accrued Income	-
	Recoverable VAT: HMRC	7,661
	<b>Total</b>	<b>40,576</b>
		<b>40,576</b>
	 <b>Amounts falling due after more than one year:</b>	
	Trade receivables	395
	Other receivables	42
	Prepayments and accrued income	114
	<b>Total</b>	<b>551</b>
		<b>551</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

<b>16 CASH AND CASH EQUIVALENTS</b>	<b>2015-16 £000</b>
<b>Balance at 1 April</b>	4,842
Net change in cash and cash equivalent balances	(1,838)
<b>Balance at 31 March</b>	<b>3,004</b>

The following balances at 31 March were held at:

Commercial banks and cash in hand	3,004
Short term investments	-
<b>Balance at 31 March</b>	<b>3,004</b>

<b>17 TRADE PAYABLES AND OTHER LIABILITIES</b>	<b>2015-16 £000</b>
<b>Amounts falling due within one year:</b>	
Bank overdraft	-
Trade payables	13,969
Other payables	1,346
Accruals and deferred income	107,664
Current part of finance leases	-
Current part of imputed finance lease element of on-balance sheet (SOFP) PFI contracts	14,108
Other taxation and Social Security: HMRC	2,737
<b>Total</b>	<b>139,824</b>

**Amounts falling due after more than one year:**

Other payables, accruals and deferred income	1,414
Obligations under finance leases	-
Imputed finance lease element of on-balance sheet (SOFP) PFI contracts	156,511
<b>Total</b>	<b>157,925</b>

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

<b>2015-16</b>	<b>Employer &amp; Public Liability Claims £000</b>	<b>Job Evaluation £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>Balance at 1 April 2015</b>	<b>4,847</b>	<b>3,366</b>	<b>162</b>	<b>8,375</b>
Provided in the year	2,339	310	-	2,649
Provisions not required written back	(2,780)	(77)	(142)	(2,999)
Provisions utilised in the year	(990)	-	(16)	(1,006)
Cost of borrowing (unwinding of discount)	-	-	-	-
<b>Balance at 31 March 2016</b>	<b>3,416</b>	<b>3,599</b>	<b>4</b>	<b>7,019</b>

Analysis of expected timing of discounted cash flows

	<b>Employer &amp; Public Liability Claims £000</b>	<b>Job Evaluation £000</b>	<b>Other £000</b>	<b>Total £000</b>
Not later than one year	2,174	1,054	4	3,232
Later than one year and not later than five	1,242	2,545	-	3,787
Later than five years	-	-	-	-
<b>Balance at 31 March 2016</b>	<b>3,416</b>	<b>3,599</b>	<b>4</b>	<b>7,019</b>

**Employer and Public Liability Claims**

These are claims against the Education Authority submitted by members of staff and/or the public in relation to accidents or incidents, which have happened before the statement of financial position date. Claims which are not considered dormant or statute barred by the passage of time since being lodged, but have progressed sufficiently to allow an estimated 'settlement' figure to be calculated, are included in the provision. Estimates are calculated by reference to analysis of previous claims of a similar type, the previous history of successful settlements and professional judgement.

The possible timing of payments in settlement of such cases is uncertain; it is plaintiff driven and the case's progress is dependent on individual circumstances of that case. As a case progresses and more information becomes available the amount of the estimated 'settlement' figure may in subsequent years be revised up or down.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**18 PROVISIONS FOR LIABILITIES AND CHARGES (cont'd)**

**Job Evaluation**

This provision refers to employees, whose posts are due to be evaluated under the job evaluation scheme. As a result, employees may be re-graded to a higher grade and therefore entitled to a higher salary from the date additional duties were undertaken. The provision is made only in respect of those employee categories where it is probable that a liability will arise and where EA is able to make a reasonable estimation of the arrears liability.

The timing of payments is likely to vary for the different categories of staff. However, EA makes every effort to progress such payments as soon as possible, once union and individual agreement has been formally reached.

The level of information available on which to base estimates for arrears increases the closer a staff category is to completion of the job evaluation process.

**Other**

The provision refers to industrial tribunal cases pending and sundry legal costs.

**Premature Retirement for Teachers**

As directed by DE, with the consent of DoF, a provision has not been included in EA's accounts for future liabilities in respect of existing teacher premature retirement cases. It is agreed that any assessment of future financial liabilities in this regard should be reflected in the Teachers' Superannuation Account (part of the Departmental Accounting structure).

The in-year charge in respect of such cases as well as requisite employer superannuation contributions is charged to EA's Statement of Comprehensive Net Expenditure. In that respect the number of premature retirement compensation cases at March 2016 was 6,323.

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**19 CAPITAL COMMITMENTS**

	<b>2015-16 £000</b>
Contracted capital commitments at 31 March 2016 not otherwise included in these financial statements:	
Property, plant and equipment	43,262
Intangible assets	-
	<b>43,262</b>
	<b>43,262</b>

**20 COMMITMENTS UNDER LEASES**

**20.1 Operating Leases**

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

	<b>2015-16 £000</b>
<b>Obligations under operating leases for the following periods comprise:</b>	
<b>Land</b>	
Not later than one year	90
Later than one year and not later than five years	111
Later than five years	111
	312
<b>Buildings</b>	
Not later than one year	242
Later than one year and not later than five years	467
Later than five years	60
	769
<b>Other</b>	
Not later than one year	821
Later than one year and not later than five years	1,495
Later than five years	2
	2,318
	<b>3,399</b>

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ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**20 COMMITMENTS UNDER LEASES (cont'd)**

**20.2 Finance Leases**

The Education Authority has several finance leases but the repayments of the leases are of a peppercorn nature. The discounted present value of the lease payments were deemed immaterial and therefore a finance creditor was not created in the annual accounts.

**21 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS CONTRACTS**

The Education Authority acts as a paying agent for the Department of Education in relation to a number of PFI contracts. In each case the property is not an asset of the Education Authority and is not included in the Statement of Financial Position.

The contracts in place are as follows:

1 Lagan College, Belfast (a Grant Maintained Integrated School)

In this case the payments are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.

2 Down and Connor PPP Scheme

This scheme consists of three schools - St Joseph's Primary School, Carryduff (an Education Authority School), Our Lady and St Patrick's College Knock (a Voluntary Grammar School) and St Mary's Primary School, Portglenone (an Education Authority School). The unitary payments in respect of St Joseph's PS, Carryduff and St Mary's PS, Portglenone are funded through the Education Authority while the payments in respect of Our Lady and St Patrick's College Knock are accounted for on a 'pass-through' and do not affect the amounts disclosed in these accounts.

3 De La Salle PPP Scheme

This scheme consists of St Patrick's Grammar School, Downpatrick (a Voluntary Grammar School). Payments in respect of this scheme are accounted for on a 'pass-through' basis and do not affect the amounts disclosed in these accounts.

4 Holy Cross College, Strabane (an Education Authority School)

5 St Mary's College, Derry (an Education Authority School)

6 St Cecilia's College, Derry (an Education Authority School)

7 St Genevieve's High School, Belfast (an Education Authority School)

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**21.1 On-Balance Sheet (SoFP)**

EA has a number of on-balance sheet (SoFP) PFI contracts and other service concession arrangements contracts currently in place. In each case under IFRIC12 the asset is included as an asset of the Education Authority. The substance of the contracts is that EA has a finance lease with the payments comprising two elements:

- imputed finance lease charges; and
- service charges.

The following PFI contracts and other service concession arrangements contracts are currently in place:

PFI Wellington College, Balmoral High School and the Regional Training Unit

EA built Wellington College, Balmoral High School and the Regional Training Unit under a single PFI contract involving a land swap arrangement. The value of the land transferred covered the cost of construction and furniture and equipment of the buildings. The contract will last for 25 years from 2 January 2002. The monthly unitary charges relates to the caretaking, maintenance (building and grounds), cleaning, security, catering services and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis.

PPP Contract for five Schools – Orangefield Primary School, Ashfield Girls' High School, Belfast Model School for Girls, Grosvenor Grammar School and Belfast Boys' Model School

EA has a single contract in place to build and maintain five schools which were opened in 2009 and 2010 and include:

- Orangefield Primary School;
- Ashfield Girls' High School;
- Belfast Model School for Girls;
- Grosvenor Grammar School; and
- Belfast Boys' Model School.

The contract for the services for each building covers the 30 year period from the date that the school is opened. The monthly unitary charge covers the contribution to the construction costs and the provision of services for caretaking, maintenance (building and grounds), external cleaning, security and the renewal of furniture and equipment on the sites. The cost of the services is indexed on an annual basis. Internal cleaning and catering services are provided by the board. The Belfast Model School for Girls and the Belfast Boys' Model School buildings also include community facilities, the North Belfast City Learning Centre (NBCLC), which was jointly funded by:

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**21.1 On-Balance Sheet (SoFP) (cont'd)**

- the Department of Education;
- the Department of Finance;
- the Department of Health (formerly the Department of Health, Social Services and Public Safety);
- the Office of First Minister and Deputy First Minister; and
- the Department for Communities (formerly the Department of Culture, Arts and Leisure and the Department of Social Development).

Oracle Financial IT System

EA has responsibility for the Oracle financial IT system. This is a PFI scheme, the purpose of which is to provide an IT system to support the financial and management needs EA in light of the requirements of Resource Accounting. This scheme is shown on-balance sheet. This contract has been extended to March 2017.

Bangor Academy and Sixth Form College and Nendrum College

EA operates a PPP Contract in respect of Bangor Academy and Sixth Form College and Nendrum College. Nendrum College opened on 29 February 2008 and Bangor Academy opened on 30 April 2008. Both of these schools are shown on-balance sheet. Ownership will transfer to EA in 2039.

Tor Bank Special School

EA operates a PPP Contract in respect of Tor Bank Special School, which was handed over on 22 October 2012. This scheme is shown on-balance sheet, although the budget is off-balance sheet which is accounted for through a dual reporting adjustment in Note 32. Ownership will transfer to EA in 2037.

Drumglass High School – Dungannon

EA operates a PFI contract in respect of the provision of accommodation and related services at Drumglass High School, Dungannon. The PFI contract commenced in September 2000 and runs for 25 years, ending in September 2025.

C2k Project

EA has responsibility for the C2k project. This is a PFI scheme which provides an IT system to schools which supports teaching, learning and administration.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**21.1 On-Balance Sheet (SoFP) (cont'd)**

Details of the imputed finance lease charges are given in the table below for the following period:

	<b>2015-16 £000</b>
Rentals due within one year	21,987
Rentals due later than one year and not later than five years	47,598
Rentals due later than five years	209,380
	278,965
Less interest element	(108,346)
<b>Present value of obligations</b>	<b>170,619</b>

Details of the minimum service charges are given in the table below for the following period:

	<b>2015-16 £000</b>
Service charge due within one year	29,571
Service charge due later than one year and not later than five years	19,677
Service charge due later than five years	138,945
<b>Total</b>	<b>188,193</b>

**21.2 Charge to the Statement of Comprehensive Net Expenditure and future commitments**

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of off-balance sheet (SoFP) PFI transactions and other service concession arrangements and the service element of on-balance sheet (SoFP) PFI transactions and other service concession arrangements was £47,343k and the payments to which EA is committed is as follows:

	<b>2015-16 £000</b>
Not later than one year	57,067
Later than one year and not later than five years	124,625
Later than five years	418,389
<b>Total</b>	<b>600,081</b>

**EDUCATION AUTHORITY**  
**ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**22 PENSION OBLIGATIONS**

<b>Statement of Financial Position</b>	<b>2016 £000</b>
Fair value of assets	1,494,033
Present value of funded defined benefit obligation	(1,960,304)
Present value of unfunded defined benefit obligation	(18,678)
<b>Pension liability recognised in the Statement of Financial Position</b>	<hr/> <b>(484,949)</b> <hr/>

Further detail in relation to pension obligations can be found in the Staff Report within the Accountability Report.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**23 CONTINGENT LIABILITIES AND CONTINGENT ASSETS DISCLOSED UNDER IAS 37**

**23.1 CONTINGENT LIABILITIES**

**Job Evaluation**

Whilst EA expects a liability could arise, until the relevant job descriptions and evaluations have been agreed, we cannot estimate, with any certainty, the value of the liability. Liability is contingent upon a future event which is outside the control of EA.

The potential total liability if all of these potential liabilities were to materialise is currently estimated at £2,787k.

**Legal Cases and Public Liability**

Proceedings against EA have been initiated for a number of public, employer's liability and employment tribunal cases. The likelihood of EA being found liable and the amount of any settlements cannot yet be estimated as the cases concerned have not progressed sufficiently to allow assessment by the EA solicitors.

The potential total liability, if all of these potential liabilities were to materialise, is currently estimated at £4,075k.

Those amounts which are probable and ascertainable are included in either accruals or provisions for liabilities and charges.

**23.2 CONTINGENT ASSETS**

A contract for sale of Scrabo High School was completed in March 2007. The sale contract includes a profit share agreement whereby the developer, on the earlier of the sale of the property or within two years of completion of the development project, will split the net profit from the disposal with the Education Authority. The future income from this agreement is probable, but is not quantifiable at this time.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**24 RELATED PARTY TRANSACTIONS**

The Education Authority (EA) is a Non-Departmental Public Body sponsored by the Department of Education and the Department for the Economy.

The departments are regarded as related parties. During the year, EA has had various material transactions with the departments and with other entities for which the departments are regarded as the parent department.

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

- (a) Department of Health;
- (b) Health and Social Care Board which is sponsored by the Department of Health; and
- (c) Department of Agriculture, Environment and Rural Affairs (formerly the Department of Environment).

No board member, key manager or other related parties has undertaken any material transactions with EA during the period.

During the year EA entered into the following transactions with the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). The chairperson of NILGOSC is an independent externally appointed member of the EA's Audit Risk and Assurance Committee.

	<b>Receivables Balance £000</b>	<b>Amounts Received £000</b>	<b>Payables Balance £000</b>	<b>Amounts Paid £000</b>
NILGOSC	-	-	-	73,346
	-	-	-	<b>73,346</b>

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

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**25 THIRD PARTY ASSETS**

EA is responsible for the administration of trust funds which benefit the pupils of certain schools within its area. The chief executive, as accounting officer, is responsible for the propriety and regularity of the trust funds and for the keeping of proper records. These are not EA assets and are not included in the accounts. The assets, held at the statement of financial position date to which it was practical to ascribe monetary values, comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	<b>2015-16 £000</b>
Monetary assets such as bank balances and monies on deposit	179
Listed securities	458
	<hr/> <b>637</b> <hr/>

**26 FINANCIAL INSTRUMENTS**

As the cash requirements of EA are met through Grant-in-Aid provided by DE, financial instruments play a more limited role in creating risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with EA's expected purchase and usage requirements and EA is therefore exposed to little credit, liquidity or market risk.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**27 FINANCIAL TARGET - RESOURCE**

	<b>DE £000</b>	<b>Youth £000</b>	<b>DEL £000</b>	<b>Total £000</b>
Net expenditure transferred to Net Expenditure Reserve	1,627,686	34,043	17,303	1,679,032
<i><u>Adjustments</u></i>				
<i><u>AME</u></i>				
Movement in Provisions	1,346	10	-	1,356
NILGOS Pension Scheme Non cash element	(31,558)	(644)	-	(32,202)
(Profit)/Loss on disposal of non-current assets	(924)	7	-	(917)
Permanent impairment of non-current assets	-	-	-	-
Depreciation and Deficit on Revaluation	(67,527)	(2,784)	(2)	(70,313)
Corporation Tax	-	-	-	-
<i><u>Other Adjustments</u></i>				
PFI Dual Reporting Adjustment	8,181	-	-	8,181
DHSS&PS expenditure	-	-	(3,485)	(3,485)
Other non-cash items/capital income	164	-	-	164
<b>Net Expenditure</b>	<b>1,537,368</b>	<b>30,632</b>	<b>13,816</b>	<b>1,581,816</b>
<b>Final Budget Plan</b>	<b>1,544,720</b>	<b>30,839</b>	<b>13,891</b>	<b>1,589,450</b>
<b>Year-end position (2015-16)</b>	<b>7,352</b>	<b>207</b>	<b>75</b>	<b>7,634</b>

**EDUCATION AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**27 FINANCIAL TARGET – RESOURCE (cont'd)**

	<b>£000</b>
<b>Opening Schools funding commitment At 1 April 2015</b>	50,490
Net movement in school surpluses in year	678
<b>Closing Schools Funding Commitment 31 March 2016</b>	<hr/> <b>51,168</b> <hr/>

**Final Budget Plan**

The Final Budget Plan includes Premature Retirement Compensation costs (PRC) and the portion of the previous year's surpluses allocated by DE in 2015-16 but excludes Annually Managed Expenditure (AME).

**Year-end position at 31 March 2016**

EA's financial targets for 2015-16 were to contain expenditure within the accrued limits approved by the Departments in budget plans. These targets have been achieved.

**Schools' Funding Commitment at 31 March 2016**

Following the abolition of the End Year Flexibility Scheme, the Executive endorsed proposals in June 2011 which provided a guarantee for schools to have access to past and future surpluses. Funding implications of any variations between planned and actual spend in year will be managed between EA and DE.

**EDUCATION AUTHORITY  
ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2016**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**28 FINANCIAL TARGET - CAPITAL**

	<b>DE £000</b>	<b>Youth £000</b>	<b>Total £000</b>
Total Capital Expenditure for the Period	54,951	3,620	58,571
<i>Adjustments</i>			
<u>AME</u>	-	-	-
Movement in Capital Provisions (if appropriate)	-	-	-
<b>Net Expenditure</b>	<u>54,951</u>	<u>3,620</u>	<u>58,571</u>
<b>Final Budget Plan</b>	<u>55,172</u>	<u>4,000</u>	<u>59,172</u>
<b>Year end position at 31 March 2016</b>	<u><b>221</b></u>	<u><b>380</b></u>	<u><b>601</b></u>

**29 MACHINERY OF GOVERNMENT**

The Education Authority is a new public sector body which was established under the Education Act (Northern Ireland) 2014, following Royal Assent on 11 December 2014. The Education Authority subsumed six of the department's 13 current NDPBs (the five Education and Library Boards and Staff Commission for Education and Library Boards).

The dissolution of the ELBs and SCELB came into effect on 1 April 2015 following the Education (Act 2014) (Commencement No.1) Order (Northern Ireland) 2015, and on this date the ELBs and the Staff Commission transferred to the Education Authority. The Education Authority Implementation Team, a team embedded within the Department of Education also transferred to the Education Authority on the transfer date.

In accordance with the FReM, the transfer of the assets and liabilities to the Education Authority was accounted for under absorption accounting.

The assets and liabilities which were transferred as a result of this machinery of government change are detailed overleaf.

Prior year accounts of each transferee can be found on [www.eani.org.uk/about-us/plans-reports/annual-report-and-accounts](http://www.eani.org.uk/about-us/plans-reports/annual-report-and-accounts).

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**29 MACHINERY OF GOVERNMENT**

	Belfast Education & Library Board	North Eastern Education & Library Board	South Eastern Education & Library Board	Southern Education & Library Board	Western Education & Library Board	Staff Commission for Education & Library Boards	Department Of Education	Total
	2015 £'000	2015 £'000	2015 £'000	2015 £'000	2015 £'000	2015 £'000	2015 £'000	2015 £'000
<b>Non-current assets</b>								
Property, plant and equipment	377,819	449,893	437,544	324,968	263,619	-	55	1,853,898
Intangible assets	17	26	12	-	217	-	-	272
Trade and other receivables	21	-	183	5	486	-	-	695
<b>Total non-current assets</b>	<b>377,857</b>	<b>449,919</b>	<b>437,739</b>	<b>324,973</b>	<b>264,322</b>	<b>-</b>	<b>55</b>	<b>1,854,865</b>
<b>Current Assets</b>								
Assets classified as held for sale	191	537	1,799	165	219	-	-	2,911
Inventories	85	204	235	652	348	-	-	1,524
Trade and other receivables	13,957	4,562	4,158	5,803	21,255	4	7	49,746
Cash and cash equivalents	686	2,522	570	456	608	-	-	4,842
<b>Total current assets</b>	<b>14,919</b>	<b>7,825</b>	<b>6,762</b>	<b>7,076</b>	<b>22,430</b>	<b>4</b>	<b>7</b>	<b>59,023</b>
<b>Total Assets</b>	<b>392,776</b>	<b>457,744</b>	<b>444,501</b>	<b>332,049</b>	<b>286,752</b>	<b>4</b>	<b>62</b>	<b>1,913,888</b>
<b>Current Liabilities</b>								
Trade and other payables	36,025	21,104	26,983	32,279	40,836	12	178	157,417
Provisions	564	535	812	409	816	-	-	3,136
<b>Total current liabilities</b>	<b>36,589</b>	<b>21,639</b>	<b>27,795</b>	<b>32,688</b>	<b>41,652</b>	<b>12</b>	<b>178</b>	<b>160,553</b>
<b>Non-current assets less net current liabilities</b>	356,187	436,105	416,706	299,361	245,100	(8)	(116)	1,753,335
<b>Non-current Liabilities</b>								
Other payables	109,357	-	47,512	3,751	10,109	-	-	170,729
Provisions	414	2,556	1,017	628	625	-	-	5,240
Pension Liabilities	79,084	120,977	112,355	136,709	132,941	313	-	582,379
<b>Total non-current liabilities</b>	<b>188,855</b>	<b>123,533</b>	<b>160,884</b>	<b>141,088</b>	<b>143,675</b>	<b>313</b>	<b>-</b>	<b>758,348</b>
<b>Total assets less liabilities</b>	<b>167,332</b>	<b>312,572</b>	<b>255,822</b>	<b>158,273</b>	<b>101,425</b>	<b>(321)</b>	<b>(116)</b>	<b>994,987</b>
<b>Taxpayers' equity</b>								
SoCNE reserve	194,438	280,613	237,868	193,357	162,966	(8)	(117)	1,069,117
Pension reserve	(79,084)	(120,977)	(112,355)	(136,709)	(132,941)	(313)	-	(582,379)
Revaluation reserve	51,978	152,936	130,309	101,625	71,400	-	1	508,249
<b>Total</b>	<b>167,332</b>	<b>312,572</b>	<b>255,822</b>	<b>158,273</b>	<b>101,425</b>	<b>(321)</b>	<b>(116)</b>	<b>994,987</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016**

**29 MACHINERY OF GOVERNMENT (cont'd)**

The net asset position of the transferring assets and liabilities is recognised in 'Other Comprehensive Expenditure' of EA. The impact on 'Other Comprehensive Expenditure' as a result of the transfer is £994,987.

No restatement of comparatives in the financial statements is required.

**Alignment of Accounting Policies**

No adjustments were required in relation to the alignment of accounting policies.

**30 EVENTS AFTER THE REPORTING PERIOD**

**30.1 Transfer of Youth Council NI Activities to the Education Authority**

With effect from 1 April 2016, EA took over full responsibility for the provision of all youth services, including those previously undertaken by DE. As a result, funding for Regional Voluntary Youth Organisations, previously administered by the Youth Council NI, will now be administered through EA.

**30.2 Transfer of Funding Authority for Voluntary Grammar and Grant Maintained Integrated Schools**

On 23 March 2016, the Education Minister decided to transfer the administrative arrangements of the VG/GMI schools' Funding Authority function from DE to EA. The necessary legislative amendments were made on 24 March 2016 and took effect from 1 April 2016. However, the Education Minister agreed that DE would continue to fund the VG/GMI schools during 2016-17, with a planned handover date to EA of 1 April 2017.

**30.3 Corporation Tax**

An unintended consequence of the wording of the EA establishing legislation brought EA within the scope of Corporation Tax. EA is liaising with DE in order for them to take forward this issue with HMRC and DoF. Resolution of the issue may require an amendment to legislation, and it is the intention to apply this retrospectively.

**30.4 Date Authorised for Issue**

The accounting officer authorised the issue of these financial statements on 09/03/2017.

## GLOSSARY OF TERMS

<b>ARA</b>	Additional Responsibility Allowance
<b>ASEO</b>	Assistant Senior Education Officer
<b>BEM</b>	Building Engineering Management System
<b>BREEAM</b>	Building Research Establishment Environmental Assessment Method
<b>BST</b>	Behavioural Support Team
<b>CASS</b>	Curriculum Advisory Support Service
<b>C&amp;AG</b>	Comptroller & Auditor General
<b>CCMS</b>	Council for Catholic Maintained Schools
<b>CPD</b>	Continuing Professional Development
<b>CPSSS</b>	Child Protection Support Service for Schools
<b>CRED</b>	Community Relations, Equality and Diversity
<b>CYPS</b>	Children & Young Peoples' Services
<b>DARD</b>	Department of Agriculture & Regional Development
<b>DE</b>	Department of Education
<b>DEL</b>	Department of Employment and Learning
<b>DfE</b>	Department for the Economy
<b>DOCPEG</b>	Designated Officer for Child Protection Education Group
<b>DoF</b>	Department of Finance
<b>DP</b>	Development Proposal
<b>DSC</b>	Delivering Social Change
<b>EA</b>	Education Authority
<b>EF</b>	Entitlement Framework
<b>EITP</b>	Early Intervention Transformation Programme
<b>ELBs</b>	Education & Library Boards
<b>EMS</b>	Education Management System
<b>EOTAS</b>	Education Other Than At School
<b>EPS</b>	Education Psychology Service
<b>ES</b>	Extended Schools
<b>ESAGS</b>	Every School a Good School
<b>ESD</b>	Education for Sustainable Development
<b>ETI</b>	Education and Training Inspectorate
<b>EWO</b>	Education Welfare Officer
<b>EWS</b>	Education Welfare Service
<b>FTE</b>	Full Time Equivalent
<b>FSM</b>	Free School Meals
<b>FSME</b>	Free School Meals Entitlement
<b>FReM</b>	Financial Reporting Manual
<b>IA</b>	Internal Audit
<b>IDS</b>	Inclusion & Diversity Service
<b>LAC</b>	Looked After Children
<b>LMS</b>	Local Management of Schools
<b>LPS</b>	Land & Property Services
<b>MEMR</b>	Monthly Expenditure Monitoring Report
<b>NIAO</b>	Northern Ireland Audit Office
<b>NISTR</b>	Northern Ireland Substitute Teachers' Register
<b>NRA</b>	Neighbourhood Renewal Area
<b>OFMDFM</b>	Office of the First and Deputy First Minister
<b>PAC</b>	Public Accounts Committee
<b>PED</b>	Personal Education Plan
<b>PFG</b>	Programme for Government
<b>PQH</b>	Professional Qualification for Headship
<b>PRSD</b>	Performance Review & Staff Development
<b>PRU</b>	Pupil Referral Unit
<b>RMD</b>	Regional Managing Director
<b>RYDP</b>	Regional Youth Development Plan
<b>SCELB</b>	Staff Commission for Education and Library Boards
<b>SDP</b>	School Development Plan
<b>SEBD</b>	Social, Emotional & Behavioural Difficulties
<b>SEN</b>	Special Educational Needs
<b>SESP</b>	Shared Education Signature Project
<b>SIMS</b>	Schools' Management Information System
<b>SRO</b>	Senior Responsible Officer

## GLOSSARY OF TERMS

<b>SSEC</b>	Strule Shared Education Campus
<b>SSP</b>	Sustainable Schools Policy
<b>STEM</b>	Science, Technology, Engineering & Maths
<b>TESS</b>	Traveller Education Support Service
<b>VES</b>	Voluntary Exit Scheme
<b>YCNI</b>	Youth Council Northern Ireland