

# CCEA Annual Report

## 2014/15



Northern Ireland Council for the Curriculum,  
Examinations and Assessment

Annual Report and Accounts  
for the Year Ended 31 March 2015

Laid before the Northern Ireland Assembly  
under the Education (Northern Ireland) Order 1998,  
Schedule 3, Article 73, Paragraph 13(c)  
by the Department of Education

on

3 July 2015

© Northern Ireland Council for the Curriculum, Examinations and Assessment (NICCEA) Copyright 2015.

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

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

This document/publication is also available on our website at [www.ccea.org.uk](http://www.ccea.org.uk).

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

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

Telephone: +44 (0) 28 9026 1200

Email: [info@ccea.org.uk](mailto:info@ccea.org.uk)

# Contents

## Section

### 1

#### **Director's Report**

Our Council	7
Chairperson's Reflection	8
Chief Executive's Foreword	9
Key Themes in 2014/15	11
Looking Forward	17
Financial Report	19
Other Disclosures	20

## Section

### 2

#### **Strategic Report**

About CCEA	25
Review of Performance in 2014/15	26
Future Strategic Direction	29
Strategic Framework and Strategy Map	30
Sustainability and Corporate Social Responsibility Report	32

## Section

### 3

#### **Remuneration Report**

41

## Section

### 4

#### **Governance**

Statement of Accounting Officer's Responsibilities	47
Annual Governance Statement	48
Certificate and Report of the Comptroller and Auditor General	62

## Section

### 5

#### **Financial Statement and Notes**

Statement of Comprehensive Net Expenditure	67
Statement of Financial Position	68
Statement of Cash Flows	69
Statement of Changes in Taxpayers' Equity	70
Notes to the Financial Statements	71



## Section

# 1

## Director's Report



---

Our mission is to:

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

We place learners, their education and personal development at the forefront of our thinking.





# Our Council

Membership as at 31 March 2015

Our Council consists of a Chairperson and members who are appointed by the Department of Education (DE). The Council includes representatives from education, industry and commerce. It is responsible for the governance of CCEA.



**Mr Trevor Carson**  
(Chairperson)  
Associate Director of  
BBA Training



**Mrs Christine Harpur**  
Business Consultant



**Mr Neill Morton**  
Principal of Portora Royal School,  
Enniskillen



**Mrs Jennifer Mussen**  
Former Principal of 11–18  
Co-ed High School



**Mr Martin Donnelly**  
Former Senior Education  
Adviser with the CCMS



**Ms Michele Crilly**  
Programme Director at  
Queen's University Belfast



**Dr Peter Cunningham MBE**  
Principal of Ceara Special  
School, Lurgan



**Mrs Rosemary Cowan**  
Lecturer Business and  
Management at Queen's  
University Belfast



**Mr John Wilkinson**  
Former Principal of Dromore  
High School



**Dr Ana Kerr**  
Education Consultant



**Mr Robert Thompson**  
Former Head Teacher in Doagh  
Primary School



# Chairperson's Reflection



Welcome to CCEA's Annual Report for 2014/15.

I am pleased to say that, this year, we have been able to continue rebuilding and renewing the organisation. At the beginning of December 2014, Justin Edwards took up the post of CCEA Chief Executive. His appointment means that, for the first time since February 2007, we have a full-time and permanent Chief Executive at the helm. Justin brings with him a wealth of experience and he has already added considerable energy and impetus to our work. He and I are determined that CCEA will re-establish its voice as a leader in curriculum design, assessment, accreditation and regulation. That work took a step forward in the year just past, but there is much more to be done.

One of the first matters Justin had to deal with was a very challenging budget settlement. In 2015/16, our funding allocation will be approximately £3m less than required, which represents a funding gap of approximately of 11%. We need to realise corresponding savings and efficiencies to match this shortfall. Since the publication of the draft budget, we have looked carefully at every budget line to see where savings can be realised. In doing so, we have applied two core principles in our decision-making: firstly, ensuring we continue to deliver our statutory duties to schools to the highest possible standards; and secondly, making all efforts to protect the quality of the services we provide to learners and teachers. We have had to make difficult decisions, and I will ensure that we communicate these decisions in a clear and timely manner in the coming year.

During 2014/15, the legislation was put in place for the establishment of the Education Authority (EA). This is an organisation of tremendous scope and potential, and CCEA Council will work to establish strong links with it. Indeed, making connections with our educational partners will be an ongoing theme for us in the months ahead. We will establish and maintain conversations with the teaching profession and associated unions; higher education institutions; business and industry; and our colleagues in other jurisdictions.

Throughout the past year, we have been working on some very significant projects. The revision of our A level and GCSE courses is a huge undertaking and I would like to pay tribute to the many teachers, business leaders and colleagues in further and higher education who are helping to shape this work. The nature of qualifications reform across the three jurisdictions means that this is more than a review of content and approach; we must also ensure that all stakeholders are assured that Northern Ireland A levels and GCSEs remain highly regarded as portable qualifications. This will also be a major theme for us in the year ahead. We continue to modernise our services, something absolutely essential for our longer-term success. More and more services are moving online, enabling us to work more efficiently and quickly across a growing range of functions. I am also pleased to note that, during autumn 2014, we carried out a successful pilot of Computer-Based Assessment (CBA) in 181 local primary schools. The latest figures I have for 2015/16 indicate that even more schools are electing to join in the ongoing development of this system, helping us to refine and build confidence in this form of diagnostic assessment.

All of our work is subject to the ongoing accountability to and governance of CCEA Council. As Chairperson of CCEA, I am fortunate to be supported and guided by a team who bring a wide range of insights and skills from across the local community. I would like to thank them for their service and look forward to working with them again in the year ahead.

**Trevor Carson**  
Chairperson  
CCEA

# Chief Executive's Foreword



Over the past year, CCEA has continued to deliver high-quality services and support to the education sector of Northern Ireland and beyond. CCEA is recognised as an agile and responsive organisation; we continue to support the Northern Ireland Curriculum, provide assessment for learning, and ably assist our sponsoring body to achieve its strategic aims. We have achieved all of this against a background of challenges and renewed focus on our mission and vision.

There is no doubt that pressure on public expenditure has impacted us. We have had to focus on every aspect of our operation to derive better cost benefit and value for money in everything that we do without undermining the essential high quality that people expect from us. We recognise that we are not the only organisation facing financial pressure and have strived to protect front-line operations and services to learners.

Qualifications still remain a significant part of what we do. In the past year, we have issued 196,579 GCSE results and 64,714 results at GCE level (A level). We continue to be the largest awarding organisation in Northern Ireland when measured by market share, demonstrating the trust that the Northern Ireland education sector has in what we do.


We also continue to innovate and embrace the digital age. In the past year, 175,592 exams were marked online and we have started a full modernisation of our entire examinations process using technology as an enabler wherever possible.

This year, we have begun a review of our A level and GCSE courses, which will result in substantial modernisation of the specifications. The review of our qualifications will take three years to complete, and we have already improved links to industry and employers to ensure that our qualifications are fit for the employment and education opportunities of today and tomorrow. I believe that this work will begin to solidify CCEA's role as the bridge between the economy and our education system – connecting the needs of employers to education practice and curriculum undertaken in our schools and colleges.

We have been mindful that this review is taking place in the context of devolved policy approaches to qualifications throughout the UK. We are fully aware that we must retain the qualifications' transportability. We have continued to work towards sustained recognition of our qualifications for learners wishing to progress to the UK and Republic of Ireland higher education institutions. UCAS has signalled that it will continue to recognise Northern Ireland's AS/A2 format. In the Republic of Ireland, the Central Applications Office (CAO) has adjusted the points recognition for Northern Ireland A level candidates, providing more points for the A\* grade.

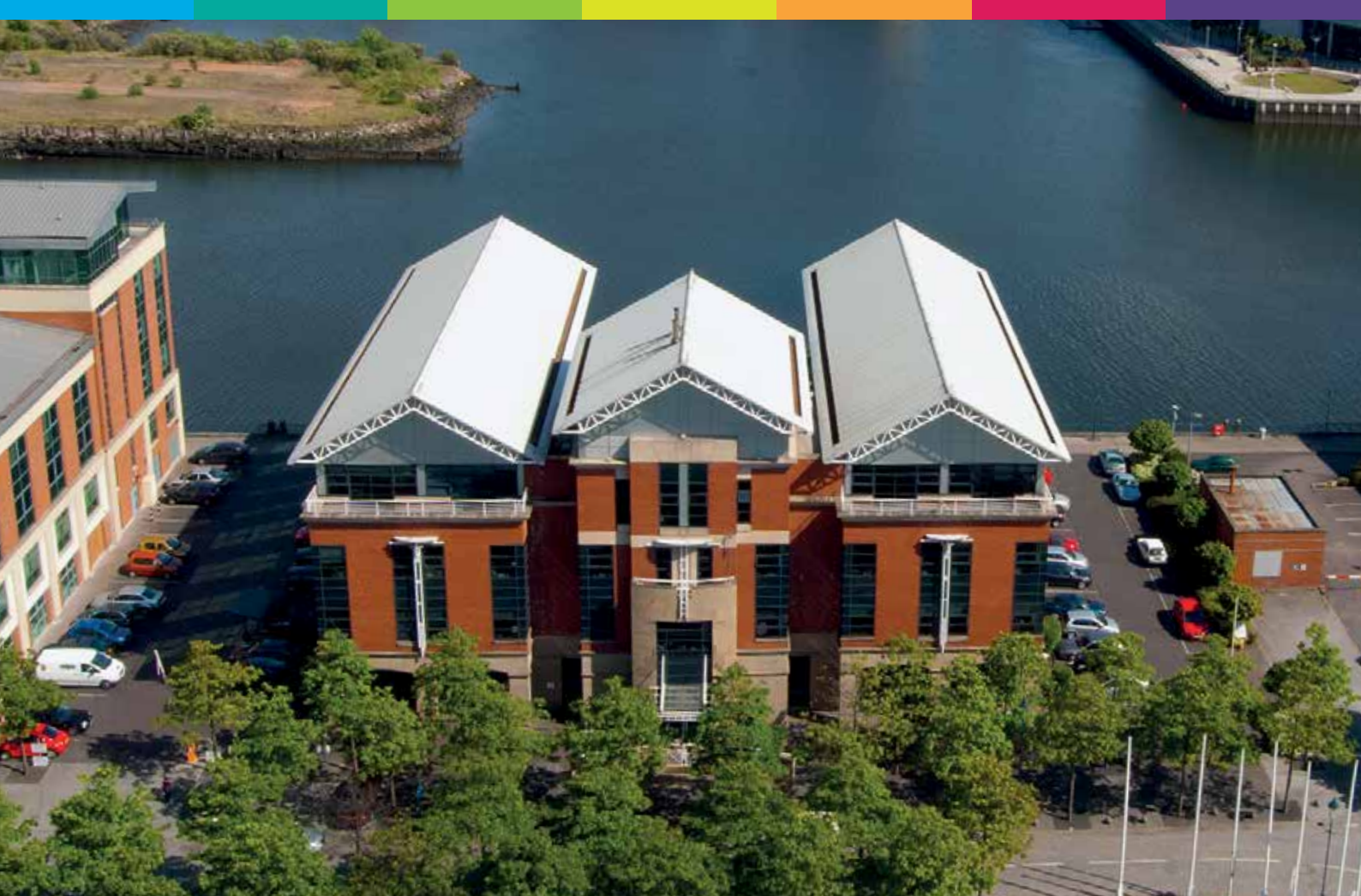
We have continued to work with providers to deliver statutory assessment at Key Stages 1, 2 and 3. While we recognise the context of challenging industrial relations in regards to assessment, we firmly believe in the underpinning principles of assessment for learning on which we based our solutions. We hope to see resolution to the industrial matters, so that together we can progress towards informed learning and improvement.

When I joined CCEA in December 2014, as the first permanent Chief Executive since 2007, I set a goal to make CCEA a strong and highly-valued organisation. To achieve this, we have implemented a new corporate plan and will, over the coming months, align this with the imminent Programme for Government. Our draft plan recognises that CCEA is a unique organisation, connecting the education sector and sharing practice in education for learners. We recognise that our new corporate plan must ensure continued high-quality, reliable services for learners, but it must also go further and inspire new thoughts on how education can and must improve.



CCEA could not achieve all of the above without being a great place to work. Our staff continue to be highly committed and extremely knowledgeable about our areas of work. We are regularly the education sector's first point of contact for information on curriculum and examinations. We achieve all of this with a relatively small number of staff; just 376. Our size, however, is also our strength, making us responsive to the needs of the education system. It allows us to focus constantly on making learning rewarding and rewarding learning.

**Justin Edwards**  
**Chief Executive**



## Key Themes in 2014/15

---

### **Our mission is to:**

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

---

We place learners, their education and personal development at the forefront of our thinking.

The following is a summary of the key achievements and significant pieces of work that reflect our continued commitment to achieving that goal.

### On a path of rebuilding and renewal

The review of public administration in education has made for a challenging landscape for the full range of educational bodies affected. During the past 12 months CCEA has made significant progress in renewal of the organisation.

The appointment of Justin Edwards as CCEA's first full-time and permanent Chief Executive for almost eight years has added new energy, perspective and direction to the organisation. A new draft corporate plan aligned to Departmental objectives has been created and consulted upon. It provides a set of rails that provides direction creating a longer-term vision for the organisation, focusing on ensuring our young people have the knowledge and skills to meet the needs of employers.

Also in 2014/15 the organisation embarked on a journey of employee engagement. Recognising that CCEA's future success is reliant on engaging staff with the aims and values of the organisation, a number of initiatives are underway to ensure the direction of travel is clear and that every individual knows how they will play their part in delivering CCEA's mission.

## Developing world-class qualifications

CCEA Awarding Organisation (AO) has now embarked on a programme of work (The ReVision) to revise A level and GCSE specifications with accompanying specimen assessment materials (SAMS). The revised A levels will be delivered to schools in time for first teaching in September 2016 and revised GCSEs introduced a year later, in September 2017.

During the past 12 months the focus has been on reviewing our A levels. CCEA would like to thank our writing teams, the many teachers who provided feedback during the consultation process, and to the key players in higher education and industry who have helped to shape our thinking in this area.

Our A level specifications are now undergoing a rigorous process of accreditation comparable with that in England and Wales so that our educational partners and wider stakeholders can have confidence in the quality and standards of our qualifications.

During 2014/15 we also consulted with a range of stakeholders to develop new Entry Level Qualification (ELQ) specifications for first teaching in September 2015. These specifications have been developed to meet the needs of learners in Northern Ireland who want to build on the knowledge they gained at Key Stage 3 prior to progressing to the next level. Ten new ELQ specifications will be introduced for first teaching in September 2015, in areas such as English, Mathematics, Science and Learning for Life and Work.

## Providing an excellent examinations service

Our schools, colleges and training organisations expect a seamless and top-quality examinations service, supporting them in ensuring their learners receive the marks and grades they deserve.

In summer 2014 CCEA's core examinations staff were supported by some 5,822 'contracted for services' personnel. The great majority of these were practising teachers helping us with the important tasks of marking, awarding and finalising grades across the full range of our courses. The health of the examinations system is reliant on a supply of suitably qualified teaching professionals and we are indebted to them for their ongoing service and support.

In all during the last year CCEA has marked over half a million scripts and awarded 248,954 results to more than 60,000 candidates.

The CCEA Awarding Organisation continues to modernise its services to streamline the examination process and bring better services to schools, colleges and students alike. In summer 2014 CCEA marked 150,000 scripts online. Not only does this allow better tracking and quality control of marked scripts, it also provides the granular data to produce our new CCEA Analytics tool. Currently available in English and Mathematics, CCEA Analytics allows schools to look at their pupils' performance question by question – a powerful tool to inform future learning.





## Maintaining standards

The work of CCEA Regulation continued to increase in both volume and width over the past year. We undertook regulation and development activities for GCSE, A and AS level, Entry level and 'Other' General Qualifications. A review of the Awarding Organisations that offer Essential Skills Qualifications was undertaken. Furthermore, the team continued to provide advice, support and guidance to both the Department of Education (DE) and the Department for Employment and Learning (DEL). Work has continued on the implementation of directives relating to the development of the European Qualifications Framework (EQF).

The main areas of development work related to the recommendations arising from review of GCSE and A/AS level qualifications. We provided an array of advice to DE on issues to do with A/AS level developments, including weighting of AS/A2 modules and the status of the assessment of practical skills within science specifications.

We continue to support Awarding Organisations to ensure that access to qualifications is available to all learners. A qualifications guide was launched to ensure that special schools and learning support units can engage with the requirements of the Entitlement Framework.

## Meeting the needs of learners in the twenty-first century

CCEA strives to provide opportunities to equip learners with the knowledge and skills to succeed in the world of work, now and in the future. Ten years ago CCEA introduced the first A level in the UK to be fully assessed online – Moving Image Arts. This innovative qualification has gone from strength to strength and is helping to provide young people with the skillsets to work in Northern Ireland's growing film and animation industries. More recently we introduced our GCE in Software Systems Development, due for first award this summer. Designed in partnership with industry experts, from small beginnings this innovative and forward looking course is becoming increasingly popular with our local schools. Added to recently launched courses such as Space Science Technology and Environmental Technology, this shows CCEA's ongoing commitment to ensure our young people have access to a wide range of relevant and portable qualifications.

More widely, CCEA continues to incentivise STEM innovation, sharing best practice and supporting schools to embed technology in subjects across the curriculum to enhance learning. We are also providing training and support for teachers in six different uses of ICT, from music technology to handling data, and we have published 15 Using ICT Learning, Teaching and Assessment resources to support teachers as they use technology to transform learning.

This year the organisation has also published Guidance on Teaching Controversial Issues at Key Stage 3. This is intended to support the development of a whole school approach to teaching controversial issues.

We continue to support teachers of pupils with special education needs (SEN). During 2014/15 we provided training to 250 mainstream primary schools on identifying how to plan, develop and assess the SEN Thinking Skills and Personal Capabilities framework in the classroom. Training was also provided for teachers on the use of the Q Skills in the classroom, complemented by 'A Window On Special' video highlighting how one school has used the Q Skills to support teaching, learning and assessment. During the year additional content was added to our 'A Window On Special' resource.

## Assessment to support teachers and pupils

Throughout the year CCEA has continued to deliver the statutory assessment arrangements under challenging circumstances. Where teachers have engaged with training and support we have received very positive feedback as to the quality and usefulness of this service. We understand that the Minister and his officials are working with teaching unions to find a way forward that has the confidence and support of all parties.

CCEA continues to move forward with the Organisation for Economic Co-operation and Development (OECD) recommendations, piloting school clusters at primary level, monitoring the curriculum and carrying out research into the use of the Levels of Progression. This evidence base will guide us in planning and delivering core work in 2015/16 in relation to progression within levels, development of a central portal to facilitate sharing of teacher resources, and the cross-phase clustering of schools to share understanding of standards.

The past 12 months have seen CCEA make further progress in restoring confidence in the tools used to support diagnostic computer-based assessment. During the autumn term of 2014, 181 local primary schools opted in to a pilot project to trial our NILA and NINA resources. A number of improvements were implemented: we introduced a pre-flight check to identify the usage patterns and to highlight any software that needed updated before using the computer-based assessments; in numeracy we reduced the number of techniques required to complete the assessment and to streamline the practice area; and in literacy we worked with the assessment provider to add a pupil progress indicator on screen.

These measures, added to a comprehensive programme of tailored support for the primary schools taking part, led to a very successful pilot, and further development work will go ahead next year.



## Resources to enhance learning

CCEA continues to develop resources across a range of platforms to support the delivery of learning in the classroom.

This year CCEA launched a new and significant Irish-Medium reading comprehension package – *Taisce Tuisceana*. The first of its kind produced in Irish, it was written by a team of teachers and developed and designed by CCEA. The resource is aimed at Key Stage 1 pupils and addresses a recognised gap in literacy resources for Irish-Medium schools.

CCEA has also responded to the challenges of society through developing supporting resources on teaching controversial issues, supporting schools by providing detailed guidance on managing drug-related issues and delivering age-appropriate Relationships and Sexuality Education.

Through the medium of video the organisation capitalised on the visit of the world famous cycle race the Giro d'Italia with a dedicated website and video resource. And more content was added to our 'A Window on Special' resource – a collection of short videos from schools and educational establishments within the sector of special education in Northern Ireland, giving a snapshot of the educational experiences of children and young people.

And once again, in 2014/15 e-learning was to the fore, with online courses provided through a virtual learning environment in areas such as examiner training, online marking and sharing good practice at Foundation stage.





## Rewarding learning

CCEA continues to take opportunities to celebrate the achievement of Northern Ireland's learners and showcase the best and most interesting work from our schools and colleges.

CCEA's annual art exhibition, 'True Colours', puts on show the creativity of local pupils through work produced for the organisation's GCSE and GCE examinations. This year we were able to continue our partnership with the Ulster Museum, adding prestige to an already very successful annual show. Close to 7,000 teachers and pupils booked in to see the work on exhibition, with museum figures showing an overall footfall of 50,000 visitors over the five-week run of 'True Colours'.

Once again we welcomed award winners, teachers, proud parents and families to our three award ceremonies; GCSE and GCE 'Celebrating Excellence', and 'Celebrating Achievement'. These continue to be great opportunities to meet with learners and their families and helps to remind us of the stories behind the entry figures and grades.

## Striving for quality through all that we do

Ever since CCEA achieved its first quality standard back in 1999, the organisation has used a range of standards and initiatives to improve business process and drive performance in all that we do.

During this business year we were re-accredited to the ISO 9001, ISO 14001 and OHSAS 18001 quality standards with no non-compliances.

In the Customer Service Excellence Standard, for the first time we achieved full compliance with all 57 criteria.

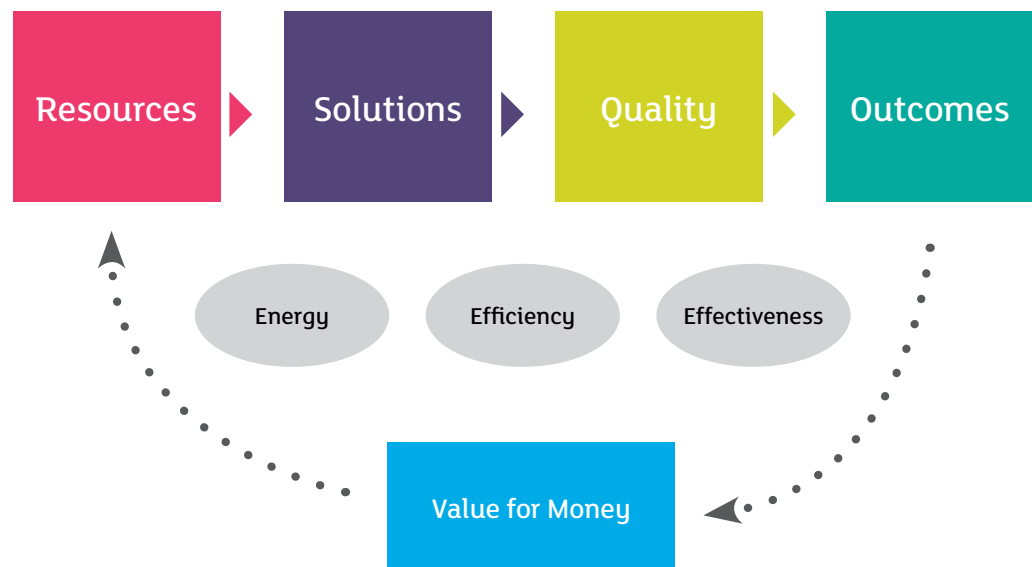
More than 100 staff were given training in risk management, Post-Project Evaluation (PPE) and governance. We subsequently completed approximately 120 PPEs.

# Looking Forward – The Big Items for 2015/16

*A glimpse at some of the main challenges facing the organisation in the coming year.*

## Meeting the budgetary challenge

In 2015/16, we are facing possibly the most challenging financial situation in our history. We will have to realise more than £3 million of savings in the coming year. Our task will be not only to deliver these savings, but to find ways to improve performance and efficiency. We will need to work collectively to look at new solutions and opportunities for how we deliver products and services to our users.



## Using assessment to support quality teaching and learning

There can be little doubt that many teachers are disengaged from the End of Key Stage assessment process. Much work needs to be done to re-energise the underpinning principles and purposes of assessment. This should include a focus on how pupil assessment can support teaching and learning in the classroom. In the coming year, we will continue to build relationships with the teaching profession and strengthen understanding of the purpose and value of levels of progression.

## Qualifications reform continues apace

While A levels were the CCEA Awarding Organisation's focus for consultation in the past year, GCSEs will move to centre stage in 2015/16. In the autumn, we will be meeting face-to-face with hundreds of teaching professionals, employers, universities and other stakeholders to ensure that we develop relevant, high-quality and innovative GCSE specifications and support.

For CCEA Regulation, the major area of regulatory work in 2015/16 will be managing the accreditation of CCEA A/AS level revised specifications and preparing to accredit CCEA GCSE revised specifications. This work will include approving detailed qualification strategies and accrediting specification and sample assessment materials for approximately 25 subjects. These will be introduced for first teaching from September 2016. CCEA Regulation will also need to operate in an increasingly devolving environment, as changes in regulation in England and Wales become more apparent.

## Modernisation across the organisation

Across all of our functions we are moving forward with support for new technologies by creating resources to support mobile and tablet technology. We are also developing activities that support the teaching, learning and assessment of several cross-curricular skills.

The CCEA website, which over the last year achieved 4.5 million visits, has been redesigned with the user in mind and to be more compatible with mobiles and tablet devices. The new site will go live early in the new business year. Online marking will increase significantly, in keeping with last year's trend; 220,000 scripts were marked online in summer 2015. We will also develop the CCEA Analytics tool to include GCSE Science.

## More work on diagnostic assessment

We will continue to offer use of Northern Ireland Literacy Assessment (NILA) and Northern Ireland Numeracy Assessment (NINA) to primary and special schools across Northern Ireland on a voluntary basis. At the time of writing, almost 300 primary schools have indicated that they would like to take part this coming autumn term.

We will enhance the pre-flight check to identify the usage patterns more accurately and to pinpoint the hardware experiencing software difficulties before pupils use NILA and NINA. Our Multimedia and ICT teams will also work with the Department of Education (DE), C2k, Capita and the two assessment providers to support schools.

For the longer-term future of computer-based assessment in Northern Ireland, we will work in line with DE direction and policy to explore the potential development of an 'in-house' option.

# Financial Report

## Basis of Accounts

CCEA has prepared the financial statements in accordance with the Accounts Direction given by the Department of Education (DE), with the approval of the Department of Finance and Personnel (DFP) and in accordance with Schedule 3, Article 73, Paragraph 13(c) of the Education (Northern Ireland) Order 1998.

## Going Concern

The Statement of Financial Position at 31 March 2015 shows net liabilities of £8.5m. This includes liabilities due in future years. All liabilities will be met by our own earned income or by future grants in aid from DE, our sponsoring body. As far as we know, DE's sponsorship will continue. Consequently, we feel that it is appropriate to adopt a going concern basis for the preparation of the financial statements.

CCEA's 2015/16 Work Programme and initial Financial Plan have both been approved. Approval grants CCEA permission to incur expenditure in line with the Financial Plan which reflects CCEA's operating budget for the year. As highlighted in the Chairman's reflection, this includes CCEA managing a funding gap of approximately 11%. CCEA has already implemented a range of savings and efficiency measures in order to manage this funding gap.

The 2015/16 Budget process is ongoing with the NI Assembly. CCEA recognise that there is the potential for further in-year budget reduction to public bodies in Northern Ireland. In that scenario CCEA would prioritise its funding based on delivering of our statutory functions, ministerial priorities, and contractual commitments. CCEA would also ensure that the work was prioritised based on activities outlined in our draft Corporate Plan, Operational Plan and agreed Departmental Work Programme. CCEA would immediately engage with our sponsoring Department to review our core functions and prioritise them proportionately and with consideration of risk to the maintenance of our statutory responsibility.

## Summary Financial Results 2014/15

Income from activities decreased from £9.4m in 2014 to £8.9m in 2015 as a direct result of the ministerial decision to remove the January examination series. Despite this drop, qualifications-generated income continued to fund almost one third of CCEA's budget.

Total expenditure increased by £0.8m from £30.4m in 2014 to £31.2m in 2015, despite a reduction in examiner and teacher costs and distribution costs, as a result of the cessation of the January examination series. Increased costs were experienced in staff costs largely due to an agreed pay increase from 1 January 2015 of 2.2%, additional costs for IT managed services and increased depreciation and amortisation costs as a consequence of increased capital spend on prior years.

CCEA's capital spend for the financial year was £0.85m to cover the costs of significant improvements to CCEA's IT infrastructure, building refurbishments, disaster recovery and essential health and safety work. CCEA's capital spend for the 2013/14 financial year was significantly lower at £0.38m.

The most significant movement in liabilities occurred in CCEA's NILGOSC pension liability, which increased by over £2m from £6.8m to £9m. This can be explained in part by a 20% increase in members as a result of auto-enrolment and changes to the key assumptions used to calculate the present value of liabilities.

# Other Disclosures

## Charitable Donations

CCEA made no charitable donations from its own funds during 2014/15.

## Equality Statement

CCEA, in carrying out its function has a statutory responsibility, is to have due regard to the need to promote equality of opportunity:

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

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

## Equal Employment Policy

We aim to make the best possible use of our resources, especially our staff. We recruit and promote candidates based on merit. We comply with all relevant legislation and guidance on fair employment and equal opportunities, and we aim to meet the legislative and other requirements in respect of employees with disabilities. In line with legal requirements, we do everything that is reasonably within our control to ensure the health, safety and welfare of all our employees.

## Independent Auditor

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

The cost of work performed during 2014/15 was as follows:

	£
Audit Services	11,590
Further Assurance Services	1,232
Tax Services	-
Other Services	-
Total	<u>12,822</u>

The fee for audit services relates to the statutory audit of the financial statements. The auditors provided further assurance services in line with the National Fraud Initiative 2014/15 exercise. These fees are included within Other Expenditure in the Statement of Comprehensive Net Expenditure section of this report.

## Payment to Creditors

In line with DFP guidance, we aim to pay valid bills within 10 days of receipt. During the reporting period 97% of invoices were paid within 10 days of receipt. Full disclosure for 2014/15 of our performance both in terms of paying invoices within 30 days and 10 days can be found at the following link:

[www.deni.gov.uk/index/8-admin-of-education-pg/prompt\\_payment\\_performance.htm](http://www.deni.gov.uk/index/8-admin-of-education-pg/prompt_payment_performance.htm)

## Off-Payroll Payments

CCEA made no 'off-payroll' payments during the 2014/15 financial year.

## Employee Sickness Absences

Average annual sickness absence for the reporting period increased from 9.4 days (as of 31 March 2014) to 11.3 days per employee (as of March 2015), due to an increase in long-term absence.

Short-term absence decreased from 4.0 days to 3.5 days per employee.

## Pension Accounting Policy

Pension liabilities are treated in the financial statements in accordance with Accounting Policies Note 1.11 in the Notes to the Financial Statements. Details of the emoluments and pension entitlements of senior management appear in the Remuneration Report section of this report.

## Register of Interests

Council members, members of the key management staff, or other related parties have not engaged in any material transactions with us during the year other than those disclosed in the: Emoluments and Pension Entitlements of Senior Management table in the Remuneration Report section of this report; and Note 20: Related Parties in the Notes to the Financial Statements section of this report.

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

## Personal Data Related Incidents

During the 2014/15 financial year, there was one minor data breach. Details of this incident can be found in the Annual Governance Statement.

## Accounting Officer 2014/15

Richard Hanna, Interim Chief Executive, held Accounting Officer responsibilities for the 2014/15 financial year until 30 November 2015. Justin Edwards, Chief Executive, held Accounting Officer responsibilities for the 2014/15 financial year from 1 December 2015.

As Accounting Officer, I took steps to keep informed of all relevant audit information and to ensure that our auditors were aware of that information. As far as I am aware, the auditors have been informed of all relevant audit information.

Signed: .....



Chief Executive

Date: .....

24 June 2015



## Section

# 2

## Strategic Report



More and more teachers are choosing CCEA as their preferred awarding organisation. Over the last five years, our share of the GCSE market in Northern Ireland grew from 65.2% in 2010 to 72.3% in 2014. The corresponding figures for our share of the GCE market in Northern Ireland are 72.2% and 74.4%.







# About CCEA

CCEA is the Council for the Curriculum, Examinations and Assessment. CCEA was established on 1 April 1994 under the Educational and Libraries (Northern Ireland) Order 1993. It replaced the Northern Ireland Curriculum Council (NICC) and the Northern Ireland Schools Examinations and Assessment Council (NISEAC).

CCEA is a non-departmental body funded by and responsible to the Department of Education (DE). We put the learner at the centre of everything we do. We think about what learners need for life and work and then build solutions to meet those needs. We do this for the entire curriculum – from Foundation and Early Years to A level and beyond.

As a key organisation in the education sector, CCEA:

- provides research and advice to DE on what is taught and assessed in our local schools and colleges;
- delivers assessment arrangements for primary and post-primary schools;
- supports teachers in delivering the NI Curriculum through a wide range of freely available resources;
- provides GCSE, GCE and other courses to our local schools and colleges; and
- acts as qualifications regulator, accrediting a range of qualifications for use in Northern Ireland on behalf of DE.

Over the past 20 years, we have used a number of quality models to deliver better services for our customers. We are the only organisation in the Northern Ireland public sector to be continuously accredited to ISO 9001 for 15 years and have been winners of the Northern Ireland Quality Award, the UK Business Excellence Award and the European Quality Award.

CCEA is organised into four broad areas:

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

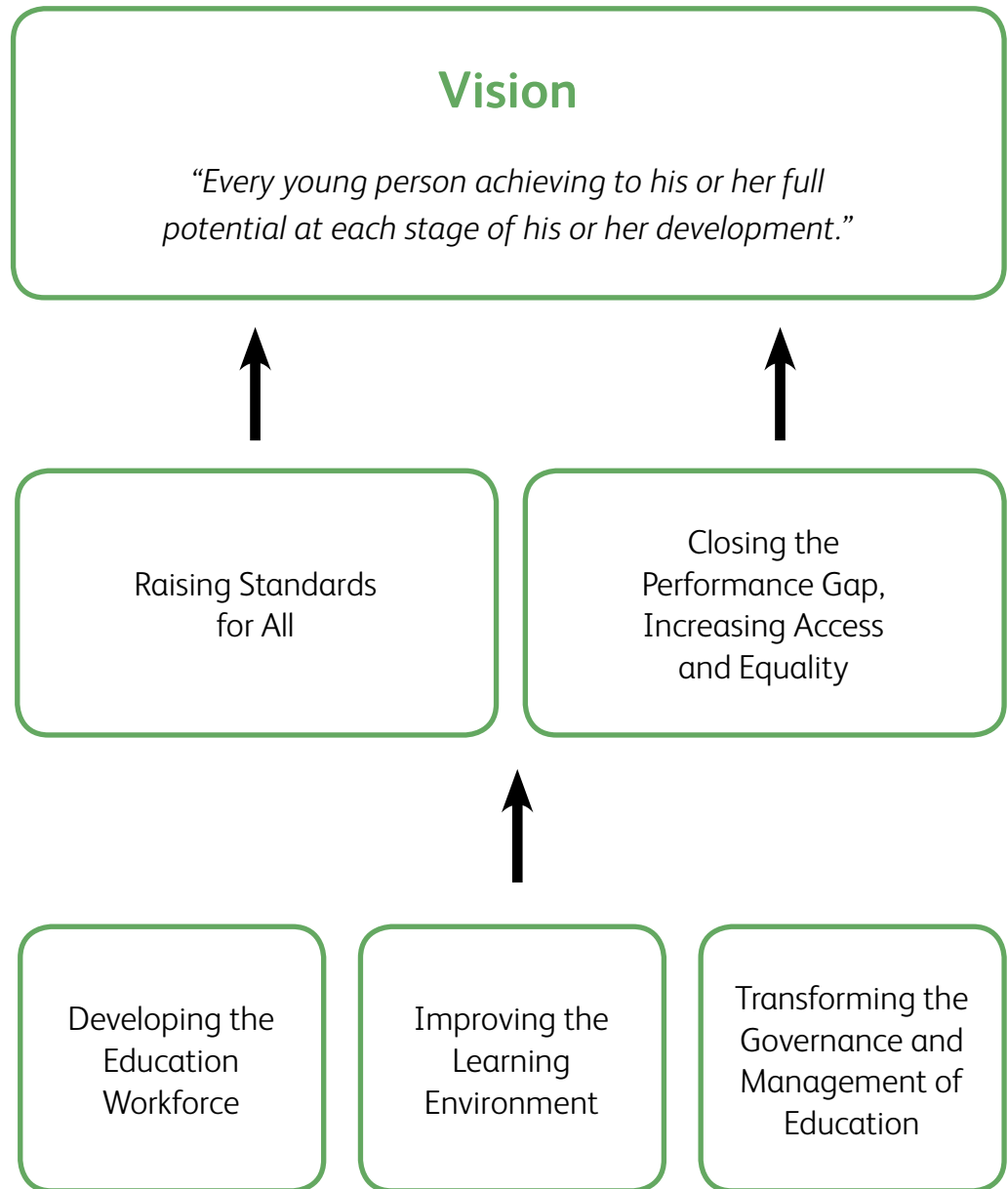
Each area has discrete business units that can be subdivided further into operational teams. We employ approximately 376 permanent staff. We also employ approximately 4,500 practising teachers as examiners, moderators and markers, as well as approximately 1,000 invigilators to ensure that examinations are conducted in accordance with a mandatory code of practice. At peak times, we employ up to 5,000 temporary staff (including teachers) to help process examinations and assessments.

We have direct and indirect customers. Our most obvious direct customers are schools, further education colleges, and the teachers and lecturers who work within them. DE and DEL are also direct customers. We are accountable to them for our performance. We provide services to both departments and, in return, receive resources that enable us to fulfil our remit.

We have many stakeholders from the educational community and beyond. These include other government departments, learners, and employers that we must, and will, take into account and consult as we conduct our work.

# Review of performance in 2014/15

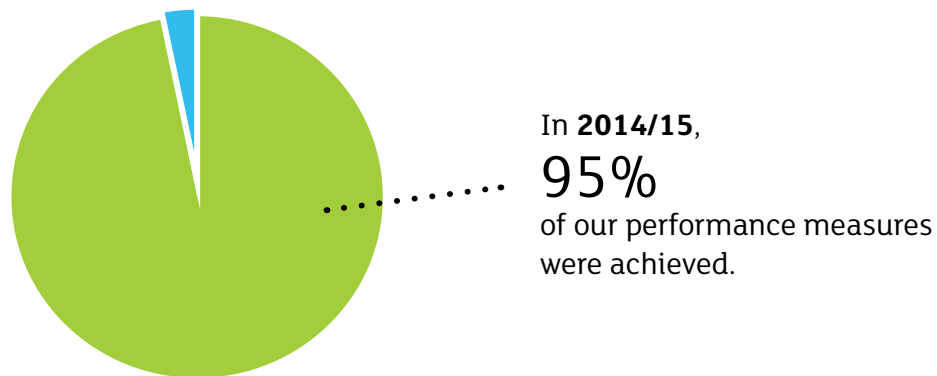
Our strategic objectives align with and support the vision for education and the strategic priorities outlined in the Corporate Plan for Education (see below). These objectives provide us with the direction to achieve the vision.



## Key Strategic Objectives

1. Provide education policy advice as required that is research and evidence based.
2. Contribute to the Department's Corporate Goals, particularly in relation to raising standards for all and closing the performance gap, increasing access and equality.
3. Deliver fit-for-purpose-qualifications and assessment regimes in support of policy.
4. Work in partnership with other education providers and stakeholders.

These strategic objectives are transferred into day-to-day actions via our operational plan and associated performance measures.



## CCEA performance in numbers

### Examinations

More and more teachers are choosing CCEA as their preferred awarding organisation. Over the last five years, our share of the GCSE market in Northern Ireland grew from 65.2% in 2010 to 72.3% in 2014. The corresponding figures for our share of the GCE market in Northern Ireland are 72.2% and 74.4%.

Key statistics:

- In summer 2014, CCEA processed 201,237 unit entries for GCSEs and GCEs.
- In August 2014, 54,149 learners received certification in CCEA GCSE and GCE examinations.
- 17,115 students across 61 different countries accessed their GCE results online on 14 August 2014.
- Throughout the year, more than 500,000 candidate marks were collected and moderated using bespoke CCEA software.
- 180,000 scripts were marked online over the summer and winter examination series.
- During the year, 10 new Entry Level Qualifications were accredited for use in schools.
- Between September 2014 and April 2015 we facilitated a total of 133 support events with a total of 2,702 delegates attending to help us deliver our qualifications.

## Providing support for teachers

To support the use of computer-based assessments in primary and special schools across Northern Ireland, we successfully delivered:

- 8 practical face-to-face training sessions for 129 teachers;
- 6 face-to-face awareness-raising sessions for 124 senior managers;
- an online refresher course for teachers;
- 2 comprehensive guidance manuals;
- 3 face-to-face evaluation sessions for 79 teachers and senior managers; and
- a poster for pupils explaining how to complete the Numeracy computer-based assessment.

To support the use of Progress File and eProgressFile, we delivered 7 face-to-face information seminars for 122 post-primary school teachers.

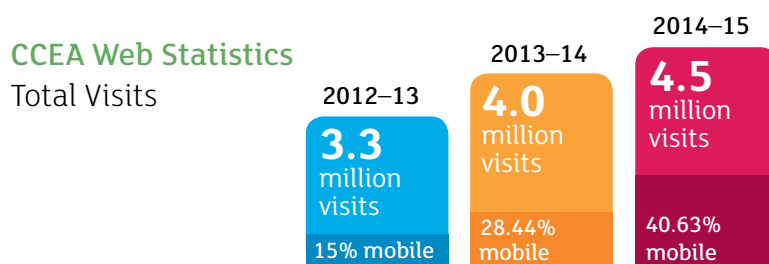
## Listening and responding

During the last year:

- our Research and Statistics team completed 43 research projects, met with 1,102 individuals face to face, and processed the views contained in 6,647 questionnaire responses; and
- we received 325 Freedom of Information requests, 96% of which were answered within 20 working days.

## Engaging with customers and the wider community

During the period covered by this report:



- there were 4.5 million visits to our website;
- 345 CCEA-related items featured in the mainstream media, generating more than 12 million positive Opportunities to See;
- 75% of all references to us in the mainstream media were positive;
- CCEA now has 4,350 followers on Twitter and in the last year has generated 109,543 page impressions on our Facebook pages;
- we provided schools with more than 500,000 leaflets promoting concussion awareness and health and safety in sport; and
- 'True Colours', our student art show at the Ulster Museum, attracted an audience of 50,000, including students, teachers and the wider public.

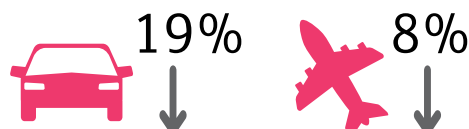
## Environmentally aware

During the last year, we:

met our electricity and gas reduction targets, with 1% and 23% decreases respectively



decreased our car mileage by 19% and our air travel spend by 8%



increased our teleconference usage by 63%



decreased our paper usage by 9%



illustrations © thinkstock.com

## Future strategic direction

We spent the final quarter of the 2014/15 business year drafting an updated corporate plan. In doing so, we developed a dialogue with our staff, customers and stakeholders. We have also been mindful of the challenges facing education in Northern Ireland and beyond. The global economy is changing rapidly. New opportunities and challenges appear at an ever-increasing pace. At the same time, educators are working to design programmes of work that meet their learners' needs while facing constantly tightening budgets.

The plan remains in draft form and will require DE approval: however it will provide the necessary framework for CCEA to set its strategic direction and measure its performance in 2015/16.

The plan as set out here will be reviewed in a year's time in line with the next Programme for Government developed by the newly elected Executive, and the DE corporate plan. We hope to then adopt our plan as our full, three-year corporate plan. Our 2015–2018 plan aims to underpin and support the work of DE and the Northern Ireland Executive. It has four strategic themes:

1. meeting the needs of our sponsoring body, stakeholders and customers;
2. improving quality and standards in everything we do;
3. leading solutions in education; and
4. managing resource in an effective, efficient and economical way.

# Strategic Framework and Strategy Map

**Our Mission** To enable the full potential of all learners to be achieved

## Outcomes

Meeting the needs of our Sponsoring Department, Stakeholders and Customers

## Overarching Objectives

### Q1

Raising Standards for All

### Q2

Closing the Performance Gap, Increasing Access and Equality

## Quality

Improving Quality and Standards in Everything We Do

### Q1

Defining Standards and Providing Assurance

### Q2

Comparing With and Learning From Others

## Solutions

Leading Solutions for Education

### S1

Sharing Thinking and Practice in Curriculum, Examinations and Assessment

### S2

Informing Our Solutions from Local, National and International Best Practice

## Resources

Managing Resource in an Effective, Efficient and Economical Way

### R1

Using Technology to Enable Solutions

### R2

Recruiting and Developing Talented People

and recognised

Supporting Objectives				Intelligence and Information as Enabler
<b><u>Q3</u></b> Developing the Education Workforce	<b><u>Q4</u></b> Improving the Learning Environment	<b><u>Q5</u></b> Transforming the Governance and Management		
<b><u>Q3</u></b> Building Advocacy in Stakeholders and Customers	<b><u>Q4</u></b> Improving Value and Accuracy	<b><u>Q5</u></b> Continuously Evaluating Our Performance		
<b><u>S3</u></b> Delivering Highly Efficient Operations and Processes	<b><u>S4</u></b> Connecting All That We Do	<b><u>S5</u></b> Aiming to be the Provider of Choice for Educational Solutions	<b><u>S6</u></b> Listening and responding to Sponsoring Department, Stakeholders and Customers	
<b><u>R3</u></b> Complying with Legislation and All Government and Departmental Policy and Procedures	<b><u>R4</u></b> Understanding and Proactively Managing Risk	<b><u>R5</u></b> Using Finance in an Efficient, Effective and Economic Way to Deliver Outcomes		



# Sustainability and Corporate Social Responsibility Report

## Sustainability

We continue to work towards delivering our business in a socially responsible manner while promoting a sustainable future through our core work with schools and colleges. This is in keeping with the sustainable development strategy of the Office of the First Minister and Deputy First Minister.

When identifying improvements we can make to our work in this area, we consider all three sustainability criteria: the environment, society and the economy.

### The Environment

- We continue to implement the ISO 14001 environmental management standard. We retained certification to this standard at each external assessment. Our successful environmental improvement programme has played a key role in helping us comply with this standard; it demonstrates our commitment to reducing our negative environmental impact and enhancing our positive environmental impact.

### Society

- Our role supporting the NI Curriculum involves the four key principles of sustainable development: social cohesion, environmental protection, economic prosperity, and meeting national and international responsibilities for global sustainable development. Several of the core NI Curriculum themes encompass these principles. We help to realise these principles through our influence on a significant number of learners. Relevant aspects of the curriculum include:
  - The World Around Us;
  - Personal Development and Mutual Understanding;
  - Literacy and Numeracy;
  - Physical Education;
  - Thinking Skills and Personal Capabilities;
  - Environment and Society;
  - Learning for Life and Work; and
  - Inclusion and Special Educational Needs.

### The Economy

- By providing support for core curricular skills in these areas, we help learners to improve society, the environment and the economy. Along with this work, we develop and provide support for qualifications that are aimed at meeting the needs of a sustainable society. We are currently working on developing and accrediting a suite of specifications for the changing requirements of society and the economy. Having established appropriate subjects for the Entitlement Framework, we provide input on and support for teaching the Entitlement Framework specifications.

As part of our commitment to managing our business in a socially responsible manner, we also implement comprehensive frameworks to ensure that we comply with all applicable legislation. We protect and encourage staff health, safety and well-being by applying the OHSAS 18001 health and safety management system standard to which we are certified.

### ***Environmental Improvement Programme***

In employing the ISO 14001 environmental management standard, we consider the environmental impact of our activities. Senior management review this regularly. Outcomes from this assessment include our environmental improvement programme. This identifies objectives and targets for initiatives to reduce our negative environmental impact and increase our positive impact.

We are focusing our improvements on paper and energy usage and staff travel, since these have been categorised as potentially impacting negatively on the environment. To increase our positive impact on the environment, we will continue to promote sustainability through the NI Curriculum and relevant 14–19 qualifications, maintaining current projects and developing new areas of support.

All actions in our environmental improvement programme are agreed with due consideration of legislative requirements, particularly the European Commission's Waste Framework Directive.

Through our environmental improvement programme, we undertake actions that we anticipate will have a wider impact in society through stakeholder awareness-raising. By changing behaviours and attitudes of stakeholders, we facilitate enduring sustainable development both within and beyond our organisation.

### ***Sustainability in Our Operations***

Our business is delivered through three sites. Each of these is assessed by an external third party as part of our certification to the ISO 14001 standard.

Our Clarendon Building is also assessed annually under the Display Energy Certificates legislation. Our most recent assessment under this legislation was undertaken in June 2014; we retained level 'B' in terms of energy efficiency. This is the second-highest grade achievable. We have retained this grade at each assessment since the legislation was introduced, which demonstrates that we continue to maintain an energy efficient environment.

An integral part of our environmental management system as required under ISO 14001 is a suite of documented policies and procedures. This includes not only the environmental improvement programme, but also environmental, energy and waste management and travel policies.

Our environmental policy is available from our website:  
<http://www.rewardinglearning.org.uk/about/policies/environment.asp>

We have also established systems to monitor performance against targets. The results then inform the ongoing review, development and improvement of the environmental improvement programme. As noted above, the European Commission's Waste Framework Directive is the overriding influence on our environmental improvement programme. It is particularly important in our efforts to reduce our negative impact on the environment through paper and energy use and staff travel. We have implemented a drive towards reducing paper usage, which, in 2014, resulted in an overall 9% reduction in paper usage. We achieved this by focusing on developing an increased number of resources and services online, including those for internal consumption. This reduction in paper usage equates to saving six trees.

To ensure compliance with the Waste Framework Directive, we also source our paper from sustainable forests or recycled paper. Our internal copiers provide data that can be monitored to target reductions in printing and which also provide scanning facilities as an environmentally sound alternative to printing. We employ a programme for recycling a variety of materials, including paper, card, aluminium cans, plastics, mobile phones, and toner and printer cartridges. We recycled approximately 12,000 kg of materials in 2014/15.

We have also facilitated a number of other recycling initiatives over the last few years, all in support of charities. These include a Christmas card recycling scheme in association with the Woodland Trust, and stamp recycling for Marie Curie.

As part of the environmental improvement programme and to extend the positive impact beyond the limits of CCEA, we conduct staff awareness campaigns that are focused on waste and energy reduction both at work and elsewhere. We consolidate this approach by making connections between environmental impact and health and well-being.

To target specific areas for improvement in energy usage and to affirm staff awareness, we undertake energy audits at least twice-yearly. These audits confirm that staff engagement with the environmental initiatives is good, with performance improving year-on-year. Improvement opportunities identified through the energy audits are monitored for effective implementation.

The table below outlines key highlights in our sustainability performance for 2014/15.

Area of focus	Target	Status
<b>PAPER REDUCTION</b>		
E-Moderation paper reduction	2014 = 51% reduction 2015 = 51% reduction maintained to embed new processes 2016 = 100% reduction	Target achieved On target On target
Online marking	2014 = 33% 2015 = 50% 2016 = 100%	Target achieved On target On target
<b>WASTE REDUCTION</b>		
General landfill waste	2014/15 target: 1% reduction from previous year = 1,026,927 l waste	Target not met (1,042,800 l produced)
<b>ENERGY/NATURAL RESOURCES USAGE</b>		
Electricity usage	2014 target: 1% reduction from previous year = 979,953 kWh	Target achieved
Gas usage	2014 target: 18,910 m <sup>3</sup>	Target achieved and exceeded (13,738 m <sup>3</sup> used)
Oil usage	2014 target: 48,018 l	Target not met (64,700 l used)
Water usage	2014 target: 2,371 m <sup>3</sup>	Target achieved
Staff travel	2014/15 target: 22% reduction  Increased use of teleconferencing to reduce staff travel	19% reduction, although absolute target not met  63% increase in use of teleconferencing facilities  8% reduction in staff air travel  19% reduction in staff mileage

Area of focus	Target	Status
<b>POSITIVE IMPACT</b>		
ecoworld website promoting environmental awareness (aimed at schools but accessible to all)	Continued support and maintenance	Work continues 6,741 ecoworld website visits
Development of resources to support NI Curriculum, particularly in areas key to sustainable development	Guidance for schools on teaching controversial issues  'A Window On Special' video case studies  Sharing Good Practice at Foundation Level  eProgressFile resource  Q Skills online course  STEMWorks online resource	These resources provide guidance for learners and teachers in subject areas such as citizenship, inclusion, conflict resolution, respecting individual rights and beliefs, emotional intelligence, diversity, human rights, social justice, sustainable development, personal development, career planning, literacy and numeracy.  The resources help learners to discuss and learn about many subjects and concepts from local and global perspectives.
First award of Environmental Technology GCE qualification	This qualification considers the development of technology to support sustainability. It encompasses study of renewable energy sources and design of the built environment to reduce negative environmental impact.	This GCE had its first award at AS level in summer 2014, with full award at A2 level in summer 2015. In addition to developing the qualification, we provided a range of support materials.  Since environmental technology is a growing priority globally, this qualification plays a role not only in environmental impact, but also in sustainable development. It achieves this through its impact on society and the economy.
Development of a qualifications guide for special schools and learning support centres by CCEA Regulation	To provide direction and support for schools involved in special educational needs (SEN) in selecting appropriate accredited qualifications to enable the achievements of SEN learners to be rewarded and recognised. It is also intended to provide a platform for learner progression in the areas of education and employment.	Complete
Development of CCEA Analytics to capture item level data for use by schools	To provide centres with item level data on GCSE Maths and GCSE English.	This item level data provides support for the Programme for Government target for numeracy and literacy by enabling schools to target specific areas for improvement.  This scheme will be subject to further development and increased scope.

We continue to drive improvements in environmental impact. By doing so, we are demonstrating probity and accountability in the use of public funds by reducing costs. We will continue to identify further environmental improvements, particularly in the area of paper usage, recycling and staff travel, while, at the very least, maintaining current levels of energy efficiency.

#### ***Carbon Reduction Commitment Scheme (CRC)***

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

## Corporate Social Responsibility (CSR)

Our approach to CSR considers the most effective way to make contributions to society beyond our core remit.

In addition to the positive societal impact of the resources and support we have developed, as noted above, we have developed and issued a leaflet on concussion. Produced in conjunction with the Department of Education (DE), this leaflet promotes health and safety, particularly in sporting activities. Over 500,000 copies were distributed, and we are currently developing an in-school learning resource on this topic for the coming year.

#### ***Community, Societal and Charitable Activities***

During the past year, we have been involved in a range of activities that have helped to improve society and the local community. We have also supported charities. Specific events included The Giving Tree (the provision of 73 Christmas gifts for a children's charity) and the Belfast City Marathon (our marathon team raised approximately £2,000 for a local charity).

We supported the local community and society by facilitating mock interviews in schools, to help learners' career development; hosting educational best-practice and benchmarking visits; providing student work placements; and providing input at board level to Groundwork NI. Staff expertise was also utilised on school boards of governors.

As part of our ongoing recognition of learners' achievements, we once again facilitated the annual True Colours Exhibition. This exhibition enhances learning and teaching in the area of Art and Design, but also recognises students' achievement through the public display of GCSE and GCE artworks. We also accommodated the Celebrating Achievement and Celebrating Excellence events for the highest-performing students.

#### ***Investment in Staff***

##### **Learning and Development**

We provide ongoing essential training to enable staff to fulfil their responsibilities effectively. In 2014/15, we continued to offer our Educational Development Scheme, but in this period, the option of accessing professional qualifications was only offered to those staff for whom the qualification was directly related to their role in CCEA.

During 2014/15, 22 staff engaged in the scheme.

## Staff Well-Being

As part of our application of the OHSAS 18001 health and safety management system standard, we offer a health and well-being programme of events. In addition to its CSR impact, this programme helps to reduce staff absence. This, in turn, promotes sustainability.

In 2014/15, there were 19 events held under the well-being programme. Approximately 360 staff engaged with these activities, which included health workshops on the prevention of cancer and heart conditions, back health, stress management, and diet and nutrition. We also provide access to the Carecall counselling service for staff.

Signed:  ..... Date: 24 June 2015

Chief Executive



## Section

# 3

## Remuneration Report

55

---

In 2015/16, our funding allocation will be approximately £3m less than required, which represents a funding gap of approximately of 11%. We need to realise corresponding savings and efficiencies to match this shortfall.

---

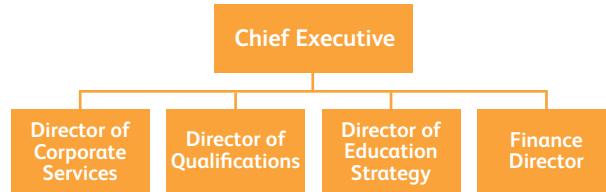
55





## CCEA Executive Team

CCEA's Executive Team (formerly Management Board) consists of the Chief Executive and four Directors:



The posts of Director of Corporate Services and Finance Director were vacant for the entire twelve months and the Director of Education Strategy post was vacant until 1 December 2014. During those periods, a number of temporary arrangements were in place which are detailed below.

Between April 2014 and November 2014, the CCEA Management Board consisted of:

- the Interim Chief Executive; and
- the Director of Qualifications.

These were supported by five CCEA Business Managers:

- the Curriculum, Assessment and Reporting Business Manager\*;
- the Examinations and Assessment Administration Business Manager\*;
- the Multimedia and Learning Resources Business Manager\*;
- the ICT Business Manager\*; and
- the Financial Services Business Manager.

Four of the Business Managers (\*) had additional responsibilities: they led one or more teams to cover the Director vacancies. The Interim Chief Executive retained overall director-level responsibility for these roles.

Following the appointment of a permanent Chief Executive, between December 2014 and March 2015, the CCEA Executive Team consisted of:

- the Chief Executive;
- the Director of Qualifications; and
- the Director of Education Strategy

These were supported by four CCEA Business Managers:

- the Examinations and Assessment Administration Business Manager\*;
- the Multimedia and Learning Resources Business Manager\*;
- the ICT Business Manager\*; and
- the Financial Services Business Manager.

Three of the Business Managers (\*) retained their additional responsibilities. The Chief Executive retained overall director-level responsibility for these roles.

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 CCEA in the financial year 2014/15 was £85–90k (2013/14, £75–80k). This was 3.23 times (2013/14, 2.92 times) the median remuneration of the workforce, which was £27,123 (2013/14, £26,539). This increase in the ratio, was due to revised terms and conditions for the Chief Executive. In 2014/15, 0 (2013/14, 0) employees received remuneration in excess of the highest-paid director.

## Emoluments and Pension Entitlements of Senior Management (Audited)

	2014–2015				2013–2014			
	Salary	Performance related pay 14/15	Pension benefits **	Total	Salary	Performance related pay	Pension benefits **	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Justin Edwards Chief Executive <i>(Appointed 1 December 2014)</i> Full Year Equivalent	25–30 85–90	0	22	50–55	–	–	–	–
Richard Hanna Interim Chief Executive <i>(Until 30 November 2014)</i>	60–65	20–25	50	135–140	75–80	–	40	115–120
Richard Hanna Director of Qualifications <i>(From 1 December 2014)</i>	20–25	–	–	20–25	–	–	–	–
Anne-Marie Duffy Director of Qualifications	70–75	20–25	183	280–285	70–75	–	30	100–105

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

### Notes

Chief Executive and Directors' 2014/15 emoluments consisted of gross salary and outstanding PRP linked to performance in 2008/09, 2009/10, 2011/12 and 2012/13. PRP linked to performance in 2013/14 remains subject to pay remit approval.

During the 2014/15 year, the Chairperson received a remuneration of £13,000. In addition, £787 was paid in respect of employers' National Insurance Contributions.

### Pension Entitlements

	Real increase in pension earned in the year to 31/03/15	Real increase in accrued lump sum in the year to 31/03/15	Total accrued pension at 31/03/15	Total accrued lump sum at 31/03/15	CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV
	£000	£000	£000	£000	£000	£000	£000
Justin Edwards Chief Executive <i>(Appointed 1 December 2014)</i> Full Year Equivalent	0–2.5	0–2.5	5–10	0–5	85	71	14
Richard Hanna Interim Chief Executive <i>(Until 30 November 2014)</i>	2.5–5	7.5–10	30–35	95–100	642	574	68
Richard Hanna Director of Qualifications <i>(From 1 December 2014)</i>							
Anne-Marie Duffy Director of Qualifications	7.5–10	25–27.5	35–40	115–120	843	592	251

	2015	2014
Band of Highest Paid Director's Total Remuneration	85k–90k	75k–80k
Median Total Remuneration	27,123	26,539
Ratio	3.23	2.92

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.

## Chairperson, Chief Executive and Director Employment Contracts

The current Chairperson was appointed by the Minister for Education on 1 February 2013.

The Interim Chief Executive was appointed on a fixed term basis beginning on 1 October 2012 and ending on 30 November 2014 after which he reverted to his substantive post as Director of Education Strategy.

The new Chief Executive was appointed on 1 December 2014. The terms and conditions of the Chief Executive's post were reviewed, amended and approved by the Department of Education (DE) and the Department of Finance and Personnel (DFP). This included a revised salary scale and performance framework.

On 16 January 2015, each of the Directors' posts and associated contracts were confirmed as permanent. Prior to that date, the Director contracts had been on a fixed-term basis. The Chief Executive and each of the Directors must serve a notice period of at least three months.

## Chairperson, Chief Executive and Director Emoluments

The Chairperson's remuneration is determined by DE and paid monthly in arrears. Any proposed increase to the rate requires DE approval and is subject to a fully satisfactory performance review. The Chairperson does not receive performance related pay (PRP).

Chief Executive and Director salary levels are subject to scales approved by DE and where required DFP. The contractual remuneration of the Chief Executive consists of salary and pension contributions. Since December 2014, the post no longer attracts PRP.

The contractual remuneration of the Directors consists of salary, PRP (up to a maximum of 10% of basic salary) and pension contributions.

The Chief Executive and Directors do not receive any benefits in kind. Only termination payments relating to payment in lieu of notice and redundancy payments are made where necessary.

DE reviews and approves CCEA's PRP Policy and PRP Framework each year.

## Council Members Emoluments

Other Council Members do not receive any emoluments.

## Chairperson, Chief Executive and Director Pension Entitlements

The post of Chairperson is non-pensionable.

The pension entitlements of the Chief Executive and Directors are disclosed in the table on page 42. Members contribute to either the Northern Ireland Local Government Officers' Superannuation Committee's Scheme (the NILGOSC Scheme) or the Teachers' Superannuation Scheme. You can find details for both in Note 5: Pension Commitments in the Notes to the Financial Statements section.

## Remuneration Committee

One of the main roles of the Remuneration Committee is to support the CCEA Council in its responsibilities for the remuneration of the Chief Executive, Directors, Business Managers, and the main CCEA staff. In relation to the CCEA Executive Team, the Committee is specifically responsible for:

- the ratification of the salary for the Chief Executive, as proposed by the Chairperson of Council in line with the terms and conditions of the post; and
- the ratification of the salary level and annual PRP for the Directors on the CCEA Executive Team, as proposed by the Chief Executive in line with the CCEA PRP Policy.
- The CCEA Chairperson appoints the members of the Committee. The Committee consists of a minimum of three members of Council. The Chairperson of Council may also be a member of the Committee. Department officials may attend meetings in an observer capacity.
- The Committee meets at least once a year and at such other times as the Chair of the Committee requires. The Chair of the Committee provides a report of each meeting of the Committee to Council.

## Cash Equivalent Transfer Value (CETV)

CETV is the actuarially assessed, capitalised value of the pension scheme benefits that an individual has accrued at a particular point in time. The benefits valued are the individual's accrued benefits plus any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme, an arrangement to secure pension benefits in another pension scheme, or an arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown in the Emoluments and Pension Entitlements of Senior Management relate to the benefits that the individual has accrued during their total membership in the pension scheme, not just during their service in a senior capacity.

The CETV figures and other pension details include the value of any pension benefit from another scheme or arrangement which the individual has transferred to the disclosed pension arrangement. They also include any additional pension benefit accrued as a result of their having purchased additional years of pension service in the scheme at their own expense. CETVs are calculated within the guidelines and framework described by the Institute and Faculty of Actuaries and according to guidance used by the Civil Service in Employer Pension Notice EPN 21/2015.

Signed:  Date: 24 June 2015  
Chief Executive

## Section

# 4

## Governance



---

By applying the Seven Principles of Public Life (Nolan) outlined in the CCEA Code of Ethics and by acting in accordance with CCEA's values, the organisation is committed to developing and delivering products and services in a way that demonstrates accountability, transparency, effectiveness, integrity and inclusivity.





# Statement of Accounting Officer's Responsibilities

Under Schedule 3 of the Education (Northern Ireland) Order 1998, the Department of Education (DE), with the approval of the Department of Finance and Personnel (DFP), has directed CCEA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CCEA and of its Statement of Comprehensive Net Expenditure, changes in taxpayers' equity, and cash flows for the financial year.

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

- observe the Accounts Direction issued by DE, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the government's *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of DE has designated the Chief Executive of CCEA as Accounting Officer of CCEA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding CCEA's assets, are set out in *Managing Public Money Northern Ireland* published by the Department of Finance and Personnel.



# Annual Governance Statement

## 1 April 2014 to 31 March 2015

### Scope of responsibility

As Accounting Officer for CCEA, I have responsibility for maintaining effective governance and a sound system of internal control which is integral to the achievement of CCEA's policies, aims and objectives which, in turn, support the achievement of relevant strategic aims and objectives of CCEA's sponsoring body, the Department of Education (DE).

I am responsible for ensuring CCEA's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and is used economically, efficiently and effectively in compliance with the guidance set out in *Managing Public Money Northern Ireland* (MPMNI).

By applying the Seven Principles of Public Life (Nolan) outlined in the CCEA Code of Ethics and by acting in accordance with CCEA's values, the organisation is committed to developing and delivering products and services in a way that demonstrates accountability, transparency, effectiveness, integrity and inclusivity.

### CCEA's governance and management framework

The duties and responsibilities of CCEA are set out in the Education (Northern Ireland) Order 1998.

CCEA's Council is responsible for:

- establishing CCEA's overall strategic direction in consideration of alignment with DE policy;
- ensuring sound financial management in CCEA through timely review of financial information and approval of significant expenditure;
- representing CCEA in the wider field of education; and
- ensuring that appropriate policies are established and implemented to comply with relevant legislation.

The Council operates within an established code of conduct based on the Nolan Principles, with the Council and all Committees subject to documented individual Terms of Reference.

### CCEA Council and Committees

The Council is supported by a number of committees with specific remits. They are:

- the Finance Committee;
- the Audit and Risk Committee;
- the Education Committee; and
- the Remuneration Committee.

The Council receives reports on the considerations and decisions reached at the meetings of these committees, along with copies of the minutes from the meetings.

During the reporting period, the Council and Finance Committee met five times. The Audit and Risk and Education Committees met four times and the Remuneration Committee met twice.

Details of Council and Committee attendance are provided in the table below.

## Council/Committee Members' Attendance 2014/15

Members	Council Meetings (5 in year)	Finance Committee Meetings (5 in year)	Audit and Risk Committee Meetings (4 in year)	Education Committee Meetings (4 in year)	Remuneration Committee Meetings (2 in year)	Percentage Attendance
Trevor Carson (Chair)	5	5	n/a	n/a	2	100%
Enda Cullen*	3	3	n/a	1	1	89%
Martin Donnelly	5	n/a	4	4	n/a	100%
Peter Cunningham	5	n/a	2	2	n/a	69%
John Wilkinson	4	n/a	3	4	n/a	85%
Robert Thompson	5	4	n/a	4	2	94%
Christine Harpur	5	n/a	4	n/a	n/a	100%
Michele Crilly	3	n/a	2	n/a	n/a	56%
Jennifer Mussen	4	n/a	n/a	4	n/a	89%
Rosemary Cowan	3	3	n/a	n/a	1	58%
Clare Gibson*	3	3	n/a	1	1	89%
Ana Kerr	3	n/a	n/a	4	n/a	78%
Kevin Scally**	2	2	n/a	n/a	n/a	75%
Neill Morton	2	1	n/a	3	1	44%
Dr Gordon Byrne#	n/a	n/a	4	n/a	n/a	100%

- \*These two Council members resigned from Council w/c 1 December 2014 and therefore percentage attendance is based on the number of meetings during their period of tenure to that point.
- \*\*This Council member resigned from Council 10 October 2014 and therefore percentage attendance is based on the number of meetings during his period of tenure to that point.
- #Dr Gordon Byrne is a co-opted independent member of the Audit and Risk Committee and is therefore only in attendance at those specific meetings.

### Audit and risk committee

CCEA's Audit and Risk Committee is responsible for providing support and advice to the Council in matters relating to risk, control and governance within the organisation. Members discharge their responsibilities through review of information and evidence provided by the Executive which indicates the level of assurance associated with CCEA's ability to meet its objectives. The Committee reviews CCEA's performance and outcomes in relation to a range of key factors in CCEA's governance framework including:

- procurement;
- compliance with legislation;
- the effectiveness of the risk management framework;
- annual audit of accounts;
- internal audit activity;
- counter-fraud strategies; and
- regulation of qualifications.

The Committee seeks to assess the comprehensiveness, reliability and integrity of the assurances provided to, in turn, provide confidence to the Council that the governance framework is effective.

The Audit and Risk Committee seeks to continuously improve and regularly evaluates its function against best-practice guidance to identify improvement actions. Within the last year, a number of improvements have been identified, of which a number have been implemented, for example, the addition of fraud, conflict of interest, and members' learning and development needs as standing agenda items. Most recently, in March 2015, the Committee undertook detailed training in the new *Audit and Risk Assurance Committee Handbook (NI)* as well as a comprehensive annual self-assessment against the requirements of the new handbook. This has resulted in a further improvement action plan to be implemented over the next six months, in anticipation of a new cycle of meetings in the new academic year.

In line with best practice, to facilitate input from appropriate expertise and ensure transparency, in addition to Council members and relevant officers from the Executive attending Committee meetings, representatives from CCEA's internal auditors, DE, the NIAO and External Audit also attend meetings of the Committee. CCEA has also co-opted an independent member onto the Committee to provide additional financial expertise to ensure the Committee can effectively perform the required duties.

The Committee is afforded the opportunity each year to meet with both the internal and external auditors without CCEA's Executive officers being present. This best-practice approach is an area which is to be subject to further enhancement following the annual self-assessment.

## Management Structure

CCEA's senior executive management has been subject to a period of further change during 2014/15. The current status demonstrates improved management of risk in the area of ensuring appropriate structures are in place to meet CCEA's objectives. Specifically, CCEA now has a permanent Chief Executive in office, while the CCEA Executive Team has two substantive Directors in post, supporting the Chief Executive, rather than one Director, as had been the previous circumstance. Currently, CCEA's Executive Team consists of the Chief Executive, Directors of Qualifications and Education Strategy, and, in the absence of Directors in the areas of Corporate Services and Finance, a number of senior managers who continue to discharge additional roles and responsibilities relating to these positions.

There are a number of supporting management oversight structures which enhance governance and control processes to ensure objectives are met. These structures include:

- the Senior Management Group (SMG), chaired by the Chief Executive, which consists of the Executive Team and business managers and meets to consider strategy, planning, policy, financial management and reporting against plans;
- the Budget-Holders' Group, chaired by the Chief Executive, which incorporates managers additional to those involved in the above meeting and which also meets monthly with a focus on finance;
- twice-yearly management review meetings required by the three ISO standards CCEA uses, at which the quality management and the internal control system are reviewed and assessed for effectiveness, with these meetings also chaired by the Chief Executive; and
- a range of programme and project boards, all chaired by senior/top management, responsible for oversight on key aspects of CCEA's core deliverables, including:
  - operational delivery of CCEA's qualifications;
  - implementation of the qualifications modernisation programme;
  - business development with a focus on enhancing the customer experience;
  - revision of specifications; and
  - the implementation of statutory assessment arrangements.

## Sponsoring Body

As Accounting Officer, I and/or members of the Executive Team meet regularly with senior members of DE to provide updates on CCEA's progress. These meetings, which include regular Governance and Accountability Review Meetings between the Chair of Council and DE Executive, focus on policy development, performance, risks and finance. A representative of the sponsoring body also attends some Council and Committee meetings.

## Compliance with the *Corporate Governance in Central Government Departments: Code of Good Practice NI 2013*

The annual self-assessment of CCEA's compliance with the *Corporate Governance in Central Government Departments: Code of Good Practice NI 2013* indicates that CCEA complies with the requirements.

During 2014, the Council Chairman conducted appraisals of all Council members. These appraisals were undertaken in line with DE guidelines. Appraisal of Council members has now been established as an annual process, with appraisals for 2014/15 scheduled to take place before the end of the 2014/15 academic year. It is anticipated that DE will conduct the Chairman's appraisal before the end of the 2014/15 academic year.

Evaluation of Council effectiveness is also complete. The evaluation process was managed through CCEA's Research and Statistics Unit to ensure objectivity and validity of outcomes. A quantitative and qualitative analysis has been conducted, from which improvements will be identified and monitored through Council meetings.

In the reporting period, Council membership changed, with three members departing from the Council. The Chairman, cognisant of the risks associated with a reduction in membership, implemented a number of risk mitigation measures to ensure that Committee meetings were quorate and continued to be effective.

Conflict of interest of members is managed through annual reporting implemented through a policy, with the register of interests for members and senior executive managers published on CCEA's website.

Conflict of interest was subject to an audit during 2013/14 across all aspects of CCEA's business, including Council, staff and contracted for services personnel. The audit identified areas of best practice as well as opportunities for improvement, which are being implemented, to be completed by the end of May 2015.

## Evaluation of the quality of data provided to CCEA Council

Consideration of the value and quality of data reviewed by Council formed part of the evaluation of Council effectiveness. It has been concluded that Council members are satisfied with the information provided to Council. This determination has been made in the context of Council members' breadth of knowledge and experience of governance and confirmation that their associated expectations have been met within CCEA. As part of the deliberations on Council expectations for data provided, during the reporting period it has been agreed that provision of a Human Resources report to the Finance Committee will enhance the breadth of information being considered by Council.

The Council gains further assurance on the accuracy, relevance and quality of information provided by the Executive from the implementation of quality standards across the organisation, all of which require external assessment and scrutiny, the range and detail of management information systems and statistical reports, and the level of professional expertise which informs reports to Council.

Representatives from external bodies, including DE and NIAO, have affirmed this view as demonstrated through comments on level of detail and breadth of information being provided by CCEA officers.

## Ministerial direction

CCEA has not been subject to any Ministerial Directions during 2014/15.

## Risk assessment

### Capacity to Handle Risk

CCEA's corporate risk register details 15 risks which are subject to review by the Executive Team and Audit and Risk Committee on a quarterly basis. The Audit and Risk Committee then provides information on the key risks to each Council meeting, while the register is submitted to DE along with the quarterly assurance reports at each review.

CCEA's risks are linked to CCEA's corporate objectives and management of these risks is embedded into CCEA's planning and management approaches.

There continue to be a number of CCEA's corporate risks which contain aspects outside CCEA's control. Where possible, CCEA identifies additional mitigation or contingency as appropriate to improve control. This approach is supported by ongoing liaison with Council and DE on remaining issues.

### Risk and Control

CCEA's risk management strategy and framework is aligned with DE's and is regularly assessed against best-practice guidance to ensure it meets requirements as well as being appropriate to CCEA's business needs. Key factors in CCEA's risk management practice are regularly reviewed by CCEA's Audit and Risk Committee and by Internal Audit and they are subject to scrutiny and challenge by NIAO/External Audit and DE.

Over the last year, CCEA's three-tier risk management framework has been reviewed to ensure it continues to meet best practice and CCEA's business needs. This risk management system allows CCEA to identify and evaluate the risks the organisation faces at all appropriate levels, in line with the requirements of HM Treasury's Orange Book. Risks are identified and managed at operational, business and corporate levels.

Key aspects of the reviewed risk management framework include:

- risk management training provided to all risk owners, with an emphasis on risk in planning and understanding of risk in the context of opportunities and risk appetite (circa 45 staff);
- risk identification and evaluation meetings held with almost all operational leaders from Team Leader to Business Manager, considering risks from a fresh standpoint;
- revised reporting and risk escalation arrangements implemented to:
  - enable improved management of interdependent risks; and
  - identify themes which can inform Audit and Risk Committee's understanding and input to CCEA's risk profile in line with guidance on best practice in DFP's revised *Audit and Risk Assurance Committee Handbook (NI)*; and

- revised documentation issued to support the framework which is more practical and user-friendly so that it can be used by team leaders and programme managers to actively manage, monitor and report on risks as part of everyday business, for example in team meetings, with this simplified documentation having been designed to:
  - focus on key issues;
  - reduce bureaucracy;
  - facilitate involvement and engagement by team members in proactive risk management and problem-solving; and
  - provide clear linkage to objectives to ensure alignment with performance management system.

The enhanced risk management framework provides greater assurance over CCEA's capacity to handle risk and the effectiveness of CCEA's governance framework.

Under the risk management framework, corporate risks are reviewed by CCEA's Executive Team and Audit and Risk Committee on a quarterly basis. Business and operational risks are reviewed formally twice-yearly. CCEA's risk registers and supporting documentation detail key risks and mitigating action.

All risk registers are subject to quality assurance, evaluation and challenge by the Business Assurance Unit.

CCEA's risk management framework is underpinned by a number of policies, procedures, plans and guidance. These include policies for risk management, whistleblowing and counter-fraud. All supporting documentation is subject to annual review to ensure it continues to meet best practice. Relevant policies and procedures are communicated and accessible to staff through CCEA's intranet.

As part of CCEA's Audit and Risk Committee's standing agenda item on risk management, the Committee considers the corporate risk register after each review. The corporate risk register is also provided to our sponsoring body at each review, with feedback from DE on our risks incorporated into the register.

## CCEA's Assurance Framework

Support for CCEA's risk management and governance framework is provided by CCEA's robust and comprehensive assurance framework. This assurance framework consists of a diverse range of sources and mechanisms through which CCEA can obtain assurance over its activities. It also facilitates continuous improvement in management of risk and governance which, in turn, results in enhanced confidence and assurance.

Key aspects of CCEA's assurance framework include:

- **Internal Audit**  
CCEA's internal audit function, which is outsourced, operates to the Public Sector Internal Audit Standards. During 2014/15, the second year of a three-year strategic internal audit plan was completed. Four risk-based audits were conducted, all of which achieved satisfactory assurance. An additional substantive review of staffing arrangements was also conducted at the request of CCEA's Council Chairman. This review identified some issues. These issues have been discussed with CCEA's Audit and Risk Committee and Council. An improvement action plan has been compiled to address control weaknesses. This plan is being monitored through Council. Internal Audit's overall opinion on CCEA's system of internal control and risk management for the year ending 2014/15 is rated as satisfactory.

All audits conducted by ASM in the 2013/14 financial year have also been subject to follow-up verification audits, conducted by Business Assurance. This includes a substantive review of improvements in Question Paper Production arising from an internal audit review in 2011/12 and which indicated significant improvements in control. A total of six other follow-ups were completed, with reports either provided to the Audit and Risk Committee or scheduled for the June 2015 meeting.

- External Audit**

External audit is undertaken by PwC on behalf of NIAO. The scrutiny of External Audit facilitates evaluation and assurance of CCEA's financial statements and management and provides an opinion on CCEA's delivery of effective, efficient and value-for-money outcomes. In 2013/14, the NIAO issued an unqualified audit opinion on CCEA's accounts. The associated Report to those charged with governance contained no recommendations for improvement.
- ISO Accreditation**

CCEA employs a range of national and internationally recognised quality standards and systems to ensure continuous improvement in delivery of its objectives. The application of these quality frameworks provides additional assurance that CCEA's risk and control structures are effective. Within the period 2014/15, CCEA retained certification to ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and TickIT at each assessment. In order to demonstrate commitment to continuous improvement as part of these standards, a three-year schedule of management system audits is implemented across all parts of CCEA's business. During the reporting period, 17 of these audits were undertaken across 11 teams/units and included a review of 49 processes/procedures. These included auditing of CCEA's compliance with the ISO 27001 Information Security Management standard and TickIT.
- Customer Service Excellence Standard**

CCEA retained accreditation to the customer-focused standard during 2014/15. This recertification was the first occasion when CCEA achieved full compliance with all of the 57 different criteria in the standard. The standard and its assessment focuses on meeting customer needs and the evidence-based assessment provided assurance that CCEA's customer engagement and approach is of an excellent standard.
- Regulation**

During 2014, following completion of the 2013/14 annual self-assessment against the regulatory General Conditions of Recognition (GCOR), CCEA confirmed compliance with the regulations in all but two areas. These two minor non-compliances were quickly corrected, while other improvement actions have been implemented throughout the year. The detail of the self-assessment was reviewed by the Audit and Risk Committee, with CCEA's Statement of Compliance being approved by Council before submission to the Regulators. The assessment exercise provides assurance to Council and the Regulators that CCEA meets the necessary criteria to operate effectively as an awarding organisation of qualifications. Assessment of compliance with GCOR for the academic year 2014/15 is currently in progress and as with the 2013/14 academic year assessment, referenced here, the evaluation requires collation of evidence by CCEA Awarding Organisation which is then subject to comprehensive independent audit by Business Assurance. It is anticipated that the 2014/15 GCOR compliance will be reviewed and approved by the Audit and Risk Committee and Council in June 2015.
- CCEA's Planning and Performance Management Framework**

CCEA's annual operational plan is constituted with input from all teams/units within CCEA. The plan provides details of CCEA's objectives, with associated costs and performance measures. Objectives are linked to DE's objectives.

Monitoring of achievement of the operational plan objectives is conducted by Business Assurance through quarterly reports on performance which are reviewed by CCEA's Executive Team and reported to CCEA's Finance Committee.

Final review of the operational plan (for the last quarter, i.e. January–March 2015) is not yet complete at time of writing. At the last report, in December 2014, 95% of CCEA's 594 measures were either on target or complete. At the time of writing, it is anticipated that a high percentage of objectives will be delivered. This will be confirmed when the final report is collated. Some objectives, however, for example those related to key stage assessment, may not be fully achieved.



CCEA is currently revising its draft corporate plan to align with a framework which will support the use of the Balanced Scorecard. This will then be reflected in enhanced operational plan, unit and team targets. CCEA will continue to review its draft corporate plan until such time as DE commissions the formal corporate plan 2016–2020.

- **Financial Management**

Budget management is central to the discharge of managers' responsibilities. Its importance is reflected in the inclusion of this as a key competence which is assessed as part of all budget-holders' performance appraisal.

Supporting financial management structures include provision of monthly online cost reports to managers. In addition, there is a range of supporting efficiency and performance reports available through the CODA system. There is a dedicated Finance website accessible to all staff.

CCEA's Executive Team regularly scrutinise reports on CCEA's financial performance, with key factors presented to Council and the Finance Committee for analysis, comment and the identification of actions. There is also regular reporting on same to DE. Control accounts and financial procedures are regularly reviewed.

CCEA has engaged with DE on an ongoing basis in relation to underspend which originates from a number of sources, including: the impact of engagement with CCEA activities, particularly in respect to key stage assessment, arising from teachers' industrial action; vacancies arising from difficulties in recruitment, for example in ICT; and delays in business case approvals, which have resulted in compressed timelines.

- **Post-Project Evaluation (PPE)**

CCEA has continued to conduct PPEs along required timelines and in compliance with best practice. During the year ending 31 March 2015, CCEA completed 64 PPEs, with lessons learned being disseminated and follow-up reviews being undertaken on effectiveness of improvement actions.

- **Business Assurance**

The role and remit of Business Assurance has expanded and it now delivers significant portions of the assurance framework. Aspects of the scope of these activities are detailed above, including: GCOR audits and evaluation of compliance;

- audits and improvements associated with ISO 9001, ISO 14001, OHSAS 18001, ISO 27001 and TickIT;
- PPEs;
- development, evaluation and improvement of the legislative assessment framework which is now extended beyond environmental and health and safety legislation to encompass legislation relating to ICT, finance, regulation (of - qualifications) and awarding organisation requirements;
- conduct of follow-up verification audits on Internal Audit findings;
- management of conflict of interest for staff; and
- review and improvement of CCEA's policy framework, including development of a procedure and template.

- **Governance Framework Training**

During 2014/15, a suite of training programmes was provided to middle and senior management comprising training in risk management, budget management, compliance with legislation and governance frameworks, procurement, business cases and PPEs.

## Management of Information Risks

CCEA implements a suite of documented policies, procedures and guidance to ensure effective management of information. CCEA has a dedicated Information Officer who is professionally qualified in records management, freedom of information and data protection.



Management of risks to information is assessed through a number of mechanisms. At each management system audit (under ISO standards), evaluation of understanding and application of records management and data protection principles is undertaken; there are regular monitoring audits conducted by the Information Officer; risks associated with security of information are discussed in risk meetings with individual risk owners; and on a quarterly basis, assurance is provided by members of the Executive Team on management of information risks as part of the completion of the quarterly assurance reports for DE.

CCEA continues to be accredited to the internationally recognised information security standard ISO 27001.

Following involvement in a tribunal case in association with the Information Commissioners, a number of improvements to CCEA's information management were identified. Of the six opportunities for improvement noted, one is fully implemented, one is currently being progressed and two have been developed and will be fully implemented through training to be provided to key staff in April 2015. One of the actions is currently behind schedule but is to be progressed in the first quarter of the 2015/16 financial year.

## Personal data related incidents

During 2014/15, CCEA experienced one minor data breach (in April 2014). The issue related to a small number of invoices being despatched to the wrong centres. The information contained in the invoices, although technically classified as personal data, was of a limited nature. In addition to taking immediate action to correct the error, including personal contact with the centres involved, the source of the issue was identified and controls put in place to prevent reoccurrence.

## Compliance with policies, procedures, laws and regulations

CCEA implements a range of control measures to ensure that it identifies and complies with all relevant legislation and codes of practice. As noted above, CCEA has enhanced its legislative compliance assessment framework, extending it to a number of key areas in CCEA and increasing assurance by subjecting these legislation registers and evaluations of compliance to independent audit.

CCEA regularly reviews policies to ensure that it complies with legislation and adopts best practice. During 2014/15, CCEA conducted a comprehensive review of its policy framework, which has resulted in a number of significant improvements, some of which are complete, while others are still in progress. These include clarity on approval channels and ownership, review periods, appropriate levels for policies and when a procedure or guidance is more suitable, a policy template, and supporting these considerations, development of a documented procedure.

CCEA has a legal services contract in place to provide advice when required.

Compliance with procedures and policies is a standing agenda item at CCEA's management review meetings, held twice-yearly to support the ISO standards. Incidents of non-compliance, which are rare, require managers to implement preventive action to ensure incidents do not reoccur. These actions are subject to review and follow-up at the next management review as well as scrutiny by CCEA's external certification assessor.

## Safeguards against losses

CCEA has a robust system of controls in place for its financial systems. These controls are designed to ensure the effective use of financial resources and to prevent loss. CCEA implements an effective budgeting and forecasting process which mirrors the operational plan development and monitoring processes. Reviews of actual results are conducted by management on a monthly basis, with reports on financial outturn provided to DE regularly.

Controls are in place to ensure that financial transactions are authorised in line with delegated authorities and duties for Finance staff are segregated, where possible, to ensure effective financial controls.

CCEA's counter-fraud policy, fraud response plan and whistle-blowing policy are subject to annual review. They are also reviewed and revised in light of changes in best-practice guidance or following any incidents.

During the reporting period, one incident of attempted fraud occurred. This involved an attempt by an unknown person to obtain money from CCEA by circulating false documents purporting to come from a supplier indicating a change to account details. No fraud occurred, however, as CCEA staff followed the required procedure in such cases to verify with the supplier that the request was correct and genuine. At that point it became clear it was an attempt to defraud and therefore no money was obtained by the perpetrator and the incident was reported to the supplier, DE, NIAO and the PSNI.

Further improvements were implemented during the year to enhance awareness and understanding of fraud and fraud prevention, including additional training and guidance for CCEA officers and contracted for services personnel.

During 2014/15, CCEA once again participated in the National Fraud Initiative (NFI), which assists in the prevention and detection of fraud. The NFI is managed through the NIAO under statutory authority.

Following publication of the results of the NFI data matching exercise in February 2015, CCEA completed investigation of all priority matches and 81% of all other matches. This demonstrates significant progress well in advance of the required deadline of September 2015. All matches have been closed, with no instances of fraud identified. It is anticipated that CCEA will complete the investigation into remaining matches ahead of the September 2015 deadline.

## Significant internal control issues

### **Verification of Previous Control Issues**

#### ***Question paper errors***

During 2011/12, following issues related to errors in question papers, a number of reviews and investigations were conducted. Some of the improvements identified at that time were closed out in 2013/14. In 2014/15, a substantive follow-up review of the process was carried out on improvement actions. This review confirmed that the actions were implemented and controls strengthened.

## Significant Control Issues 2014/15

### ***Breach of examination paper***

In January 2015, a centre mistakenly opened and issued an examination paper ahead of time. In consequence, CCEA's risk response plan for breach of confidentiality was invoked, with a new paper prepared and issued. Due to the costs and heightened risk associated with this issue, in addition to the despatch of further guidance to centres on the consequences of such an error, consideration is being given by CCEA's Executive Team to effecting a notice to those charged with governance and potential penalty clauses for centres, should this occur in the future. This approach would align with sanctions approved by the Joint Council for Qualifications.

### ***Failure to comply with the General Conditions of Recognition***

Following the application of the enquiry about results process, an issue with the marking of A2 English by one examiner was identified. There were 16 candidates affected. However, corrective action taken ensured that all candidates were issued with correct grades and that no disadvantage was incurred.

### ***New assessment arrangements to support the NI Curriculum***

Due to industrial action by teachers' unions, a significant number of schools have not engaged with assessment arrangements and therefore the key aspects of this risk have materialised. CCEA, however, has the appropriate systems in place to deliver the arrangements as required and has provided a range of training and support to schools, all of which have been positively received, achieving an average of 98% satisfaction from those involved.

### ***Significant issues identified by Internal Audit***

As referenced above in the section on CCEA's assurance framework, some issues were identified by Internal Audit when undertaking the substantive review on staffing arrangements. The issues noted have been discussed at Audit and Risk Committee and at Council and an improvement plan has been devised to be monitored by Council.

In undertaking the review of translations of examination scripts into English from Irish Medium, Internal Audit identified a related issue connected to arrangements in place between CCEA Awarding Organisation and Coláiste Feirste which presents a level of risk. This is currently being addressed by the CCEA Regulation team.

## CCEA's significant risks

CCEA has a number of significant corporate risks within the context of the potential impact they have on CCEA's/DE's objectives and reputation. On an ongoing basis, CCEA evaluates the controls in place to identify if additional mitigation can be implemented to enhance risk management. There are, however, some aspects of CCEA's risk profile that lie outside CCEA's control, for example, where there are dependencies on third parties outside CCEA's influence.

At the time of writing, CCEA has not identified any additional corporate risks, but a number of risks have increased or continued at a high level. A number have also reduced, however, as a result of improved controls or changed circumstances.

Those risks which have increased or remain high relate to budget pressures, industrial action by teacher unions and the subsequent impact on key stage assessment, gaps in ICT staff capacity, dependencies on third parties over which CCEA has limited or no control, and changes in qualifications.

CCEA's most significant risks are provided below.

**1. Failure to ensure systems are in place to provide quality services and products in Qualifications, Regulation, and Curriculum and Assessment**

As CCEA's overarching strategic risk which relates to all aspects of CCEA's core business, this risk has increased in the context of a number of factors, including lack of engagement with key stage assessment arrangements and the reputational risks associated with revision of specifications and the perceptions of the comparability of these qualifications in a divergent educational environment.

**2. Failure to deliver on targets (within budget) as outlined in the corporate plan, operational plan, work programme, financial plan and savings delivery plan**

CCEA managed its provision within allocated revenue and capital resource during the 2014/15 financial year. CCEA delivered all components of its departmental work plan and planned savings. CCEA developed a new draft corporate plan to replace the plan that ended 2014/2015. Industrial action, particularly in regards to end of key stage assessment, continues to present challenges for operational and financial management.

**3. Failure in delivery of products, services or systems as a result of dependencies on the managed ICT service in schools**

This risk, although reduced over the course of the year, remains high. CCEA depends on C2k for effective delivery of a range of its key products and services. Modernisation of CCEA's activities will increase this dependency. CCEA, however, has no control over C2k. Agreement of the Memorandum of Understanding with C2k has been a positive risk management control which was effected in 2014/15 and transformation of the C2k network is now complete. Service level agreements are necessary, however, to reduce the risk.

**4. Failure to ensure that the appropriate ICT resources are in place and effective to provide the quality ICT products and services required by CCEA**

ICT has been operating significantly under capacity. The effects of this are that there are key projects which cannot be implemented or, if implemented, may not meet the required specification or may not be tested robustly. Supporting systems are, therefore, not of optimum efficiency and there is a higher level of manual and operator intervention required.

High-risk areas which require ICT services include:

- A2C, which is necessary for CCEA to continue to operate as an awarding body;
- maintaining key systems, for example, Exams Processing;
- development of modernisation programmes, for example, E-Moderation; and
- infrastructure development and maintenance.

Although approval and funding for ICT staff was obtained through CCEA's QTR business case, CCEA has not been able to recruit the necessary staff in all cases. There is a significant risk of losing existing experienced staff due to high levels of demand for qualified ICT staff in the Belfast area.

Failure to recruit and retain staff stems from the current highly competitive ICT skills market. Despite a number of innovative campaigns, the required additional ICT staff have not been recruited in some cases. Use of the Government Digital Service (GDS) and G-Cloud has provided access to contracted staff for some aspects of the work required.

There are a number of other avenues being explored to more effectively manage the risk, including consideration of a review of salaries and the ICT allowance scheme, and outsourcing.

## **5. Failure to implement effectively new assessment arrangements to support the NI Curriculum**

Although CCEA has processes and systems in place to support full engagement by schools with regards to key stage assessment arrangements, uptake remains limited. This risk, as noted above, has effectively materialised.

Ongoing risks in this area relate to the consequences for CCEA of the limited uptake by schools rather than those associated with implementation of the arrangements.

The consequent risks include:

- enduring industrial action resulting in failed assessment arrangements;
- implications for CCEA's budget and consequent underspends arising from limited expenditure for teacher release and reduced costs for administration of moderation due to limited uptake; and
- outcomes reported to DE based on a limited number of schools and thereby undermining the statistical viability and, therefore, integrity of any analysis.

## **6. Failure to secure appropriate resources, systems and procedures to implement an effective modernisation programme**

CCEA was able to secure all systems and resources required to realise the 2014/15 components of the modernisation programme. CCEA has increased online marking to 33% and E-Moderation to 49% of all activity in 2014/15.

During 2014/15, CCEA was challenged to recruit sufficient software development/ICT staff, but was able to use G-Cloud to procure suitable alternatives for some aspects.

## Significant outcomes

During 2014/15, CCEA has delivered a wide range of services and products designed to meet customer and stakeholder expectations and needs.

Key achievements during 2014/15 include:

- completion of a governance training programme for staff;
- development of new qualifications in response to changing needs of economy and society, including GCSE Software Systems Development and Level 2 Space Science Technology (QCF);
- facilitation of teacher support events on:
  - developing literacy skills;
  - Computer-Based Assessment;
  - eProgressFiles; and
  - development of teachers' software skills;
- development of guidance for customers on:
  - special educational needs; and
  - Using ICT;
- collection and moderation of over 500,000 candidate marks using bespoke software (E-Moderation);
- creation and deployment of a system providing item level data related to performance on individual questions by individuals and classes to teachers (CCEA Analytics) – supporting Every School a Good School through facilitation for teachers of English and Mathematics to analyse results at question level and, therefore, improve teaching;
- 10 new general Entry Level qualifications accredited;
- Phase 1 GCE revised specifications submitted to the Regulator for accreditation;
- 179,000 scripts marked online;
- development of the A2C system which, as part of a UK-wide initiative, is a significant transformation of the systems which allow examination centres and awarding organisations to interact and will:

- provide enhanced facilities for Exams Officers who make entries and receive results in centres, and provide a scaleable and extendable platform for future enhancements; and
- reduce risk of human error in internal processes;
- development of a system to create a Personal Learning Record for every candidate in the UK-wide Learning Records Service database;
- in response to a request from DE, development and distribution of 500,000+ concussion information leaflets promoting health and safety in sport, which will be followed up this year with an in-school learning resource;
- enhancements in the functionality of the computer-based assessments available for use in primary and special schools, in line with stakeholder evaluation;
- STEM Innovation Project to promote and support innovative uses of ICT to enhance learning in classrooms;
- establishment of cluster groups for Using Maths for primary schools to share best practice and professional dialogue across schools;
- development of new process for voluntary moderation of Using ICT for primary schools;
- development of preventative education resources for primary schools in conjunction with the NSPCC; and
- provision of training in CCEA's financial systems, also covering aspects of CCEA's accountability and governance structures, for Council members.

## Review of effectiveness

As Accounting Officer, I am responsible for reviewing the effectiveness of the governance framework, including the system of internal control. This review is informed by:

- senior management who have responsibility for the development and maintenance of the internal control framework;
- the work of Internal Audit, who submit regular reports to CCEA's Audit and Risk Committee which include an independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control, together with recommendations for improvement; and
- comments made by the external auditors in their management letter and other reports.

Assurances are provided by the executive and independent scrutiny of the organisation and its processes. The Business Assurance team provides a key function in monitoring assurance measures and collating relevant information. This work includes:

- management system audits;
- consideration of the measures in place to manage corporate, business and operational risks and development of the risk management framework, including assurance/stewardship statements signed by management;
- business improvement systems and tools employed by CCEA;
- other sources of assurance (as defined within the assurance framework); and
- discussions with key staff and observations during the reporting period.

Regular updates are provided to Audit and Risk Committee and processes are kept under review in the context of continuous improvement. I note Internal Audit's overall conclusion that CCEA has demonstrated a satisfactory level of assurance.

Based on consideration of the assurance mechanisms implemented within CCEA, and evidence derived from these mechanisms, I conclude that CCEA has demonstrated effective governance for the period 2014/2015.

This draft Governance Statement was formally reviewed and recommended by CCEA's Audit and Risk Committee on 15 April 2015.

Signed: .....



Date: .....

24 June 2015

Chief Executive

# Certificate of the Comptroller and Auditor General

## **NORTHERN IRELAND COUNCIL FOR THE CURRICULUM, EXAMINATIONS AND ASSESSMENT**

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

I certify that I have audited the financial statements of the Northern Ireland Council for Curriculum, Examinations and Assessment for the year ended 31 March 2015 under Schedule 3 of the Education (Northern Ireland) Order 1998. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 Report that is described in that report as having been audited.

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

As explained more fully in the Statement of Accounting Officer'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 and certify on the financial statements in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998. 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 Financial Reporting Council'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 Northern Ireland Council for Curriculum, Examinations and Assessment's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Council for Curriculum, Examinations and Assessment; 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. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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



## Opinion on Regularity

In my opinion, in all material respects the expenditure and income 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 Northern Ireland Council for Curriculum, Examinations and Assessment's affairs as at 31 March 2015 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and Department of Education directions issued thereunder.

## Opinion on other matters

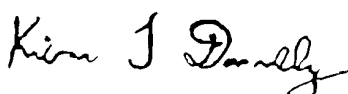
In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Education directions made under the Schedule 3 of the Education (Northern Ireland) Order 1998; and
- the information given in the Directors Report and Strategic 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 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 and Personnel's guidance.



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

29 June 2015





Section

**5**

## **Financial Statement and Notes**



CCEA is a non-departmental body funded by and responsible to the Department of Education (DE). We put the learner at the centre of everything we do. We think about what learners need for life and work and then build solutions to meet those needs. We do this for the entire curriculum – from Foundation and Early Years to A level and beyond.





# Statement of Comprehensive Net Expenditure

## Year ended 31 March 2015

	Note	2015 £	2014 £
<b>Expenditure</b>			
Staff costs	4	<b>14,555,598</b>	14,160,366
Other expenditures	6	<b>16,359,904</b>	15,979,192
Depreciation	7	<b>283,073</b>	218,341
Amortisation	8	<b>24,278</b>	20,357
Expenditure for the year		<b>31,222,853</b>	30,378,256
<b>Income</b>			
Income from activities	3	<b>(8,864,270)</b>	(9,369,831)
<b>Net expenditure</b>			
Other finance costs	9	<b>245,000</b>	397,000
<b>NET EXPENDITURE AFTER INTEREST (transferred to general reserve)</b>	18	<b>22,603,583</b>	21,405,425

## Other Comprehensive Expenditure

	Note	2015 £	2014 £
Net (gain)/loss on revaluation of property, plant and equipment (in Revaluation reserve)	7 & 17	<b>(4,916)</b>	42,516
Net (gain)/loss on revaluation of intangibles (in Revaluation reserve)	8 & 17	<b>(581)</b>	3,539
Actuarial loss/(gain) in respect of pension liability	5.1c & 18	<b>1,704,000</b>	(3,613,994)
<b>TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2015</b>		<b>24,302,086</b>	17,837,486

All amounts above relate to continuing activities.

The notes on pages 71 to 90 form part of these financial statements.

# Statement of Financial Position at 31 March 2015

	Note	2015 £	2014 £
<b>Non-current assets</b>			
Property, plant and equipment	7	1,234,574	671,579
Intangible assets	8	48,177	60,725
<b>Total non-current assets</b>		<b>1,282,751</b>	<b>732,304</b>
<b>Current assets</b>			
Inventories	10	2,119	5,297
Trade and other receivables	11	1,762,685	2,596,206
Cash and cash equivalents	12	353,092	1,199,423
<b>Total current assets</b>		<b>2,117,896</b>	<b>3,800,926</b>
<b>Total assets</b>		<b>3,400,647</b>	<b>4,533,230</b>
<b>Current liabilities</b>			
Trade and other payables	13	(2,912,016)	(2,103,777)
<b>Total current liabilities</b>		<b>(2,912,016)</b>	<b>(2,103,777)</b>
<b>Non-current assets plus net current assets</b>		<b>488,631</b>	<b>2,429,453</b>
<b>Non-current liabilities</b>			
Provisions	14	(718,000)	(708,000)
Pension liabilities	5.1c	(8,239,974)	(6,086,079)
<b>Total non-current liabilities</b>		<b>(8,957,974)</b>	<b>(6,794,079)</b>
<b>Total assets less liabilities</b>		<b>(8,469,343)</b>	<b>(4,364,626)</b>
<b>Taxpayers' equity</b>			
Revaluation reserve	17	(82,497)	(87,994)
General reserve	18	(8,386,846)	(4,276,632)
		<b>(8,469,343)</b>	<b>(4,364,626)</b>

The financial statements on pages 67 to 70 were approved by the Council on 24 June 2015 and were signed on its behalf by:

Trevor Carson.....  Date 24/6/15  
Chairperson

Justin Edwards.....  Date 24 June 2015  
Chief Executive

The notes on pages 71 to 90 form part of these financial statements.

# Statement of Cash Flows

## for the year ended 31 March 2015

		2015	2014
	Note	£	£
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(22,603,583)	(21,405,425)
<b>Adjusted for:</b>			
Depreciation	7	283,073	218,341
Amortisation	8	24,278	20,357
Bad debt provision	11	1,949	-
Bad debts written off		3	485
IAS 19 pension costs*	5.1d	459,894	578,006
Decrease/(increase) in inventories	10	3,178	(2,649)
Decrease/(increase) in trade and other receivables	11	831,569	267,114
Increase/(decrease) in trade and other payables	13	808,238	97,757
<b>Net cash outflow from operating activities</b>		<b>(20,191,401)</b>	<b>(20,226,014)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(841,150)	(311,122)
Purchase of intangible assets	8	(11,149)	(70,849)
<b>Net outflow from investing activities</b>		<b>(852,299)</b>	<b>(381,971)</b>
<b>Cash flows from financing activities</b>			
Recurrent grants received	18	19,689,746	20,645,016
Capital grants received	18	507,623	462,538
<b>Net financing</b>		<b>20,197,369</b>	<b>21,107,554</b>
<b>Net (decrease)/increase in cash and cash equivalents in the period</b>		<b>(846,331)</b>	<b>499,569</b>
<b>Cash and cash equivalents at 1 April 2014</b>	12	<b>1,199,423</b>	<b>699,854</b>
<b>Cash and cash equivalents at 31 March 2015</b>	12	<b>353,092</b>	<b>1,199,423</b>

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

The notes on pages 71 to 90 form part of these financial statements.

# Statement of Changes in Taxpayers' Equity

## Year ended 31 March 2015

	Note	General Reserve £	Revaluation Reserve £	Taxpayers' equity £
<b>Balance at 31 March 2013</b>		(7,592,755)	(41,939)	<b>(7,634,694)</b>
<b>Changes in taxpayers' equity 2013/14</b>				
Deficit for year from statement of comprehensive net expenditure		(21,405,425)	-	<b>(21,405,425)</b>
Net loss on revaluation of property, plant and equipment	7	-	(42,516)	<b>(42,516)</b>
Net loss on revaluation of intangible assets	8	-	(3,539)	<b>(3,539)</b>
Actuarial gain in respect of pension liability		3,613,994	-	<b>3,613,994</b>
Recurrent funding	18	20,645,016	-	<b>20,645,016</b>
Capital funding	18	462,538	-	<b>462,538</b>
<b>Balance at 31 March 2014</b>		<b>(4,276,632)</b>	<b>(87,994)</b>	<b>(4,364,626)</b>
<b>Changes in taxpayers' equity 2014/15</b>				
Deficit for year from statement of comprehensive net expenditure		(22,603,583)	-	<b>(22,603,583)</b>
Net gain on revaluation of property, plant and equipment	7	-	4,916	<b>4,916</b>
Net gain on revaluation of intangible assets	8	-	581	<b>581</b>
Actuarial loss in respect of pension liability		(1,704,000)	-	<b>(1,704,000)</b>
Recurrent funding	18	19,689,746	-	<b>19,689,746</b>
Capital funding	18	507,623	-	<b>507,623</b>
<b>Balance at 31 March 2015</b>		<b>(8,386,846)</b>	<b>(82,497)</b>	<b>(8,469,343)</b>

The notes on pages 71 to 90 form part of these financial statements.

# Notes to the Financial Statements

## Year ended 31 March 2015

### 1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the *2014/15 Government Financial Reporting Manual (FReM)* issued by Treasury as directed by the Department of Finance and Personnel (DFP). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Council for the Curriculum, Examinations and Assessment (CCEA) for the purpose of giving a true and fair view has been selected. The particular accounting policies that have been adopted in the preparation of these financial statements are detailed below. They have been applied consistently in dealing with items that are considered material to the financial statements.

In accordance with the FReM, the Council is not able to accrue grants in aid funding due from the Department of Education to match current liabilities recorded within the statement of financial position. Under International Accounting Standard (IAS) 1 (revised), Presentation of Financial Statements, such a closing financial position which shows a surplus of liabilities over assets requires the Accounting Officer to make an assessment of the viability of the Council as a going concern. However, no material uncertainties affecting the Council's ability to continue as a going concern have been assessed and these financial statements have therefore been prepared under the going concern principle.

#### 1.1 Accounting Convention

These financial statements have been prepared under the historical cost convention, modified by the revaluation of assets and liabilities to fair value as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in the FReM. Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies Act 2006, accounting standards issued or adopted by the International Accounting Standards Board and the accounting and disclosure requirements issued by DFP in so far as those requirements are appropriate. These financial statements have been prepared in pounds sterling.

#### 1.2 Recognition of Income and Funding

##### 1.2.1 Government Grants

The main source of funding for CCEA is allocations (grants in aid) from the Department of Education (DE). All grants in aid, whether for revenue or capital purposes, are treated as contributions from controlling parties, giving rise to a financial interest in the residual interest of CCEA, and are credited to the general reserve. The grant in aid is recognised in the financial year in which the cash is received.

##### 1.2.2 Revenue Grants

Grants for revenue purposes that are received to finance the purchase of specific goods or services are shown as income in the statement of comprehensive net expenditure. In these cases income is set to match with the related expenditure incurred during the period. CCEA did not receive any revenue grants in the financial year.

##### 1.2.3 Examination Fee Income

Examination fee income is recorded in the statement of comprehensive net expenditure in the financial year in which the examination takes place.



### **1.3 Property, Plant and Equipment**

Items of property, plant and equipment which are held for use on a continuing basis in delivering the reporting entity's activities, and which yield a benefit for a period of more than one year, are capitalised at their cost of acquisition and installation. The level for capitalisation as an individual item of property, plant and equipment has been applied for the current year at £3,000.

CCEA does not own any land or buildings.

### **1.4 Intangible Assets**

Intangible assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by CCEA through custody or legal rights. Intangible fixed assets are capitalised and stated in the statement of financial position at fair value (amortised cost less any accumulated impairment losses). The level for capitalisation as an individual intangible asset has been applied for the current year at £3,000.

### **1.5 Depreciation**

Depreciation is provided on all property, plant and equipment from the month they are brought into service. In order to write off the value, less estimated residual value of each asset, items of property, plant and equipment are depreciated on a straight line basis over their expected useful lives or lease period if shorter.

Lives of assets, which are reviewed regularly, are as follows:

Computer hardware - 3 years

Computer software - 3 years

Office furniture and equipment - 7/10 years

Plant and machinery - 15 years

### **1.6 Amortisation**

Amortisation is provided on software licences from the month they are brought into service. In order to write off the value, less estimated residual value of each asset, software licences are amortised on a straight line basis over their expected useful lives. In line with the computer software to which they relate, software licences are deemed to have useful lives of 3 years.

### **1.7 Finance and Operating Leases**

Leases are classified as either a finance lease or an operating lease depending on the substance of the agreement. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Finance leases are treated as if the asset had been purchased outright. The related assets are included in non-current assets, and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations, and the interest element is charged against income in proportion to the reducing capital element outstanding. Assets held under finance lease are depreciated over the useful lives of equivalent owned assets. CCEA does not have any lease agreements that are classified as a finance lease.

An operating lease is a lease other than a finance lease. Rental payments in respect of assets held under operating leases are charged to the statement of comprehensive net expenditure as incurred. Commitments under operating leases are shown in Note 15 to the financial statements.

### **1.8 Inventories**

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

### **1.9 Work in Progress**

Work in progress represents the estimated cost of work commenced, but not invoiced, in respect of projects being undertaken by the Multimedia Unit.

### **1.10 Employee Benefits**

The cost of providing employee benefits is recorded in the statement of comprehensive net expenditure in the period in which the benefit is earned by the employee, rather than when it is paid or payable. This is applicable to both short term and long term benefits.

## 1.11 Pensions

CCEA has considered the impact of IAS 19R to be immaterial to the Annual Report and Accounts and have not adjusted the pension disclosure in Note 5.

CCEA participates in the following three pension schemes:

### 1.11.1 The Teachers' Superannuation Scheme (TSS)

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

The rate of the employer's contribution is determined every 4 years by the Government actuary and advised by DFP. The TSS is a multi-employer scheme, and CCEA is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TSS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year. The scheme is administered by the Department of Education, Rathgael House, Balloo Road, Bangor.

### 1.11.2 The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

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

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

The difference between the fair value of the assets held in CCEA's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method is recognised in CCEA's statement of financial position as a pension scheme asset or liability as appropriate.

In accordance with IAS 19 'Employee Benefits', the in year movement in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by CCEA is charged to the statement of comprehensive net expenditure or the statement of changes in taxpayers' equity.

### 1.11.3 The National Employment Savings Trust (NEST)

The National Employment Savings Trust is run by NEST Corporation, which is a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP). It's a trust-based scheme, run independently from the government on a not-for-profit basis in the interests of its members.

NEST Corporation has a Chair and up to 14 Trustee Members. The Trustee Members take decisions based on established trust law principles including the duty to act in the interests of scheme members. They set the strategic direction and objectives for NEST and determine the overall governance structure for NEST Corporation.

The Trustee Members are supported by an executive team that has day-to-day responsibility for managing the scheme. The Trustee Members' primary role is to decide, implement and support NEST's strategic direction in order to maximise value for scheme members and beneficiaries.

NEST is a defined contribution pension scheme established by law to support the introduction of automatic enrolment, which meets the criteria for a 'qualifying' scheme as set out in the Pensions Act 2008.

Minimum contribution levels are set by legislation and are to increase in 2017 and 2018 as part of a phased timetable. NEST was set up specifically to meet the need of employers to deliver pensions auto-enrolment for their employees and can be used by employers in all sectors regardless of the size or profile of their workforce.

## **1.12 Taxation**

CCEA is an eligible body for the purposes of education and any provision of education by CCEA is exempt from VAT. A small part of the activities of CCEA, mainly those associated with the Multimedia Unit, falls within the scope of VAT. With the exception of expenditure directly related to these activities, VAT is not reclaimable by CCEA and so, in these cases, expenditure in the financial statements is inclusive of VAT.

CCEA was established by legislation as a 'body corporate' and is therefore fully within the Corporation Tax provisions. CCEA is registered with HMRC for Corporation Tax purposes.

## **1.13 Provisions**

Provisions are recognised when CCEA has a present obligation as a result of a past event, it is probable that CCEA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

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

## **1.14 Foreign Currency Transactions**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the statement of comprehensive net expenditure in the period in which they arise.

## **1.15 Early Departure Costs**

Although the Local Government (Compensation for Premature Retirement) Regulations (Northern Ireland) 1983 do not apply to CCEA, these regulations have been agreed with the recognised trade union as an acceptable basis to allow CCEA to have the discretion to make provision for premature retirement of officers who cease to hold their employment by reason of redundancy or in the efficient discharge of their employee's functions.

Lump sum payments (if any) during the year, and a statement of continuing liability, are disclosed in Note 5 to the financial statements. The accounting practice is to provide for the full cost of early departure of employees in the statement of comprehensive net expenditure based on actuarial tables.

## **1.16 Reserves**

The General Reserve balance represents the total assets less total liabilities of CCEA to the extent that the total is not represented by the Revaluation Reserve.

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments.

## 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

CCEA's financial performance is organised and managed at directorate level. The chief operating decision maker in CCEA is the Executive Team (ET) which consists of the Chief Executive, Director of Qualifications, Director of Education Strategy, Director of Corporate Services and Finance Director. The posts of Director of Corporate Services, and Finance Director are currently vacant, so there are a number of temporary arrangements in place. These arrangements are detailed in the Remuneration Report on page 41. Monthly financial reports detailing directorate revenue, expenditure and capital expenditure against budget and prior year are provided to ET and budget holders. Information on directorate assets and liabilities is not separately identified. The five directorates operating in the 2014/15 financial year are Chief Executive, Corporate Services, Education Strategy, Qualifications and Financial Services.

### Chief Executive

This directorate consists of the administrative support for the Chief Executive's Office and Council and the independent regulatory functions.

### Corporate Services

In support of all CCEA's activities, this directorate provides independent advice and management in ICT, Multimedia, People Services, Marketing & Communications, Facilities Management and Business Assurance.

### Education Strategy

CCEA researches and trials policy on behalf of the Department and provides support material for curriculum implementation. This directorate is also currently responsible for the development and implementation of the assessment and reporting arrangements for ages 4 to 14.

### Qualifications

CCEA provides examinations for GCE subjects and GCSE subjects, Key Skills, Essential Skills, Occupational Skills and a range of other vocational qualifications.

### Financial Services

This directorate is responsible for financial and management reporting, budgeting, payroll, trade receivables/payables and purchasing.

CCEA's financial position at the year ended 31 March 2015 is analysed across directorates as follows:

	Chief Executive £(000's)	Education Strategy £(000's)	Qualifications £(000's)	Corporate Services £(000's)	Financial Services £(000's)	Total £(000's)
Expenditure	1,588	5,230	15,373	8,642	635	31,468
Income	(398)	(8)	(8,364)	(93)	(1)	(8,864)
Net expenditure after interest	1,190	5,222	7,009	8,549	634	22,604

### 3 INCOME

	2015	2014
	£	£
<b>INCOME FROM ACTIVITIES</b>		
Research and development	<b>61,335</b>	27,970
Examination fees	<b>8,335,150</b>	8,795,034
Other activities	<b>467,785</b>	546,827
Income from activities is shown net of Value Added Tax (VAT)	<b>8,864,270</b>	9,369,831

### 4 STAFF NUMBERS AND RELATED COSTS

#### Staff Costs comprise:

	Permanent staff/FTC*	Temporary staff	Total	Total
	2015	2015	2015	2014
Wages and salaries	11,057,836	485,118	11,542,954	11,359,997
Social Security costs	876,901	20,149	897,050	880,980
Pension costs	2,115,594	-	2,115,594	1,919,389
<b>TOTAL</b>	<b>14,050,331</b>	<b>505,267</b>	<b>14,555,598</b>	14,160,366

\* Fixed Term Contract

#### Average Monthly Number of Persons Employed

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

	Permanent staff/ FTC	Temporary staff	Total	Total
	2015	2015	2015	2014
Directly Employed	376	29	405	406
<b>TOTAL</b>	<b>376</b>	<b>29</b>	<b>405</b>	406

## 5 PENSION COMMITMENTS

### 5.1 a) Teachers' Superannuation Scheme

59 employees of CCEA are members of the Teachers' Superannuation Scheme, which is a contributory scheme administered by the Department of Education (DE). The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1977 and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government Actuary and advised by the Department of Finance and Personnel (DFP).

DE operate a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2014/15 are as follows:

Band	FTE Range (£)	Contribution Rates
1	0-14,999	6.4%
2	15,000-25,999	7.0%
3	26,000-31,999	7.9%
4	32,000-39,999	8.8%
5	40,000-44,999	9.2%
6	45,000-74,999	10.1%
7	75,000-99,999	10.6%
8	100,000-111,999	11.2%
9	more than 112,000	11.2%

In 2014/15, the employer's contribution rate was 13.6%, (13.6% in 2013/14)

Contributions for the year:	2015 £	2014 £
Employers	380,847	346,048
Employees	297,779	244,596
Total	<u>678,626</u>	<u>590,644</u>

### b) Northern Ireland Local Government Officers' Superannuation Committee Scheme

CCEA participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for 286 of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent, professionally qualified actuary on the basis of regular valuations using the projected unit method. The results of the most recent valuation, which was conducted at 31 March 2013, were as follows:

Main assumptions –	
Rate of return on investments per annum	6.1%
Rate of general increase in salaries per annum	5.3%
Rate of pension increases per annum	3.3%
Market value of scheme's assets	£3.540 billion
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, deferred pensioners and members based on past service and after allowing for future salary increase	82%

NILGOSC operate a banding scheme for employee contribution rates, based on pensionable pay. These rates for 2014/15 are as follows:

<b>Band</b>	<b>FTE Range (£)</b>	<b>Contribution Rates</b>
1	0–14,000	5.5%
2	14,001–16,500	5.8%
3	16,501–21,300	5.9%
4	21,301–35,600	6.5%
5	35,601–47,700	6.8%
6	47,701–89,400	7.2%
7	more than 89,400	7.5%

In 2014/15, the employer's contribution rate was 20%, (20% in 2013/14).

Contributions for the year:

	<b>2015</b>	2014
	<b>£</b>	£
Employers	<b>1,481,045</b>	1,276,328
Employees	<b>472,601</b>	414,783
Total	<b><u>1,953,646</u></b>	<u>1,691,111</u>

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

	<b>2015</b>	2013
	<b>£(000's)</b>	£(000's)
Present value of funded liabilities	<b>(47,975)</b>	(40,211)
Fair value of plan assets	<b>39,735</b>	34,125
Net underfunding in funded plans	<b>(8,240)</b>	(6,086)
Present value of unfunded obligations (Note 14)	<b>(718)</b>	(708)
Net liability – total non-current liability	<b><u>(8,958)</u></b>	<u>(6,794)</u>
Amounts in the statement of financial position		
Liabilities	<b>(8,958)</b>	(6,794)
Asset	-	-
<b>Net liability</b>	<b><u>(8,958)</u></b>	<u>(6,794)</u>

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

	<b>2015</b>	2014
	<b>£(000's)</b>	£(000's)
Opening defined benefit obligation	<b>40,920</b>	41,767
Current service cost	<b>1,741</b>	1,502
Interest cost	<b>1,750</b>	1,868
Contributions by members	<b>484</b>	410
Actuarial gains/(losses)	<b>4,781</b>	(3,675)
Estimated unfunded benefits paid	<b>(44)</b>	(44)
Estimated benefits paid	<b>(938)</b>	(908)
Closing defined benefit obligation	<b>48,694</b>	40,920

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

	<b>2015</b>	2014
	<b>£(000's)</b>	£(000's)
Opening fair value of employer assets	<b>34,125</b>	31,936
Expected return on assets	<b>1,505</b>	1,471
Contributions by members	<b>484</b>	410
Contributions by employer	<b>1,481</b>	1,276
Contributions in respect of unfunded benefits	<b>45</b>	45
Actuarial gains/(losses)	<b>3,077</b>	(61)
Unfunded benefits paid	<b>(44)</b>	(44)
Benefits paid	<b>(938)</b>	(908)
	<b>39,735</b>	34,125

As a result of the full actuarial valuation at 31 March 2013, employer contributions of 20% are to be made in 2015/16 in order to reduce the deficiency of the scheme.

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

	<b>2015</b>	<b>2015</b>	<b>2015</b>	2014
	<b>Quoted</b>	<b>Unquoted</b>	<b>Total</b>	Total
Equities	<b>73%</b>	<b>0%</b>	<b>73%</b>	74%
Bonds	<b>12%</b>	<b>0%</b>	<b>12%</b>	12%
Properties	<b>0%</b>	<b>13%</b>	<b>13%</b>	11%
Cash	<b>2%</b>	<b>0%</b>	<b>2%</b>	3%

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

	<b>2015</b>	2014
Discount rate	<b>3.2%</b>	4.3%
Expected return on plan assets	<b>n/a</b>	6.9%
Future salary increases	<b>3.3%</b>	3.9%
Future pension increases	<b>1.8%</b>	2.4%
Pension accounts revaluation rate	<b>1.8%</b>	n/a



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

	2015 £(000's)	2014 £(000's)	2013 £(000's)	2012 £(000's)	2011 £(000's)
Fair value of employer assets	39,735	34,125	31,936	26,639	25,917
Present value of defined benefit obligation	(47,975)	(40,211)	(40,995)	(35,029)	(31,259)
Deficit	(8,240)	(6,086)	(9,059)	(8,390)	(5,342)
Experience adjustments on plan assets	3,077	(61)	3,176	(1,636)	1,188
Experience adjustments on plan liabilities	221	1,331	71	(349)	2,998
Actuarial gains/(losses) on employer assets	3,077	(61)	3,176	(1,636)	1,188
Actuarial (losses)/gains on obligation	(4,781)	3,675	(4,522)	(1,239)	6,091
Actuarial (losses)/gains recognised in statement of changes in taxpayers' equity	(1,704)	3,614	(1,346)	(2,875)	7,279

### Sensitivity Analysis:

The approximate impact of changing the key assumptions on the present value of the funded defined obligation as at 31 March 2015 and the projected service cost for the year ending 31 March 2016 is set out below. We have not included sensitivity of unfunded benefits on materiality grounds.

#### Funded LGPS benefits

##### Discount rate assumption

Adjustment to discount rate	<b>+0.1% p.a.</b>	<b>-1.0% p.a.</b>
Present value of total obligation (£M's)	46,973	49,001
% change in present value of total obligation	-2.1%	2.1%
Projected service cost (£M's)	1,709	1,841
Approximate % change in project service cost	-3.7%	3.8%

##### Rate of general increase in salaries

Adjustment to salary increase rate	<b>+0.1% p.a.</b>	<b>-1.0% p.a.</b>
Present value of total obligation (£M's)	48,341	47,616
% change in present value of total obligation	0.8%	-0.7%
Projected service cost (£M's)	1,774	1,774
Approximate % change in project service cost	0.0%	0.0%

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

Adjustment to pension increase rate	<b>+0.1% p.a.</b>	<b>-1.0% p.a.</b>
Present value of total obligation (£M's)	48,702	47,261
% change in present value of total obligation	1.5%	1.5%
Projected service cost (£M's)	1,841	1,709
Approximate % change in project service cost	3.8%	-3.7%

##### Post retirement mortality assumption

Adjustment to mortality age rating assumption*	<b>-1 year</b>	<b>+1 Year</b>
Present value of total obligation (£M's)	49,269	46,682
% change in present value of total obligation	2.7%	-2.7%
Projected service cost (£M's)	1,836	1,712
Approximate % change in project service cost	3.5%	-3.5%

\* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

**5.1d** The net cost of the NILGOSC scheme recognised in the statement of comprehensive net expenditure is as follows;

	<b>2015</b>	2013
	<b>£</b>	£
Current service cost	<b>1,741,000</b>	1,502,000
Interest on obligation	<b>1,750,000</b>	1,868,000
Expected return on assets	<b>(1,505,000)</b>	(1,471,000)
Contributions by employer	<b>(1,481,045)</b>	(1,276,328)
Contributions in respect of unfunded benefits	<b>(45,060)</b>	(44,665)
Loss	<b><u>459,895</u></b>	<u>578,007</u>

### **5.1e National Employment Savings Trust**

CCEA participates in the National Employment Savings Trust (NEST) for 105 of its Contracted for Services personnel. NEST is a defined contribution pension scheme established by law to support the introduction of auto enrolment, which meets the criteria for a 'qualifying' scheme as set out in the Pensions Act 2008.

In 2014/15 the employee contribution rate was 1% (1% in 2013/14) of pensionable pay, and the employer contribution rate was 1%.

Contributions for the year:

	<b>2015</b>	2014
	<b>£</b>	£
Employers	<b>2,855</b>	102
Employees	<b><u>2,284</u></b>	<u>81</u>
	<b><u>5,139</u></b>	<u>183</u>

### **5.2 Early Departure Costs**

Lump sum payments during the year relating to early departures amounted to £0 (2014 £0).

Annual costs relating to early departures in previous years that are met by CCEA currently amount to £45,060. These annual costs will continue in line with pension payments and are index linked.

	<b>2015</b>	2014
	<b>£</b>	£
Provision for liabilities and charges	<b>718,000</b>	708,000

Full provision has been made for the best estimate of the expected total liability of CCEA in relation to early departures during previous years.

## 6 OTHER EXPENDITURES

	2015 £	2014 £
Examiner and teacher costs	<b>6,958,669</b>	6,911,398
Premises and equipment	<b>2,914,111</b>	2,855,201
Supplies and services	<b>3,187,836</b>	2,607,541
Substitute teacher costs	<b>1,503,840</b>	1,675,728
Printing costs	<b>1,267,915</b>	1,297,800
Distribution costs	<b>363,194</b>	440,908
Transport and travel costs	<b>146,602</b>	173,508
Council fees and expenses	<b>17,737</b>	17,108
	<b><u>16,359,904</u></b>	<u>15,979,192</u>

## 7 PROPERTY, PLANT AND EQUIPMENT 2014/15

	Computer Hardware £	Computer Software £	Office Furniture & Equipment £	Plant & Machinery £	TOTAL £
<b>COST OR VALUATION</b>					
At 1 April 2014	1,440,204	131,863	1,308,103	28,708	2,908,878
Indexation	6,300	778	4,918	32	12,028
Additions	458,493	25,715	335,348	21,594	841,150
Disposals	-	-	-	-	-
<b>At 31 March 2015</b>	<b>1,904,997</b>	<b>158,356</b>	<b>1,648,369</b>	<b>50,334</b>	<b>3,762,056</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 April 2014	1,089,931	76,327	1,044,132	26,909	2,237,299
Indexation	3,073	267	3,746	24	7,110
Charge for period	199,302	26,003	57,422	346	283,073
Depreciation eliminated on disposal	-	-	-	-	-
<b>At 31 March 2015</b>	<b>1,292,306</b>	<b>102,597</b>	<b>1,105,300</b>	<b>27,279</b>	<b>2,527,482</b>
<b>NET BOOK VALUE</b>					
At 31 March 2014	350,273	55,536	263,971	1,799	671,579
<b>At 31 March 2015</b>	<b>612,691</b>	<b>55,759</b>	<b>543,069</b>	<b>23,055</b>	<b>1,234,574</b>

Property, plant and equipment have been re-indexed at 31 March 2015 using the indices from the Office for National Statistics, and the overall gain of £4,916 (2014: loss £42,516) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2015.

## 7 PROPERTY, PLANT AND EQUIPMENT 2013/14

	Computer Hardware £	Computer Software £	Office Furniture & Equipment £	Plant & Machinery £	TOTAL £
<b>COST OR VALUATION</b>					
At 1 April 2013	2,165,897	423,503	1,377,519	29,340	3,996,259
Indexation	(41,837)	(4,635)	(23,584)	(632)	(70,688)
Additions	188,665	22,710	99,747	-	311,122
Disposals	(872,521)	(309,715)	(145,579)	-	(1,327,815)
<b>At 31 March 2014</b>	<b>1,440,204</b>	<b>131,863</b>	<b>1,308,103</b>	<b>28,708</b>	<b>2,908,878</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 April 2013	1,828,085	367,779	1,151,712	27,112	3,374,688
Indexation	(15,529)	(1,249)	(10,951)	(443)	(28,172)
Charge for period	149,896	19,255	48,950	240	218,341
Depreciation eliminated on disposal	(872,521)	(309,458)	(145,579)	-	(1,327,558)
<b>At 31 March 2014</b>	<b>1,089,931</b>	<b>76,327</b>	<b>1,044,132</b>	<b>26,909</b>	<b>2,237,299</b>
<b>NET BOOK VALUE</b>					
At 31 March 2013	337,812	55,724	225,807	2,228	621,571
<b>At 31 March 2014</b>	<b>350,273</b>	<b>55,536</b>	<b>263,971</b>	<b>1,799</b>	<b>671,579</b>

Property, plant and equipment have been re-indexed at 31 March 2014 using the indices from the Office for National Statistics, and the overall loss of £42,516 (2013: gain £19,479) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2014.

**8 INTANGIBLE ASSETS 2014/15****Software Licences**

£

**COST OR VALUATION**

At 1 April 2014	382,167
Indexation	731
Additions	11,149
Disposals	-
<b>At 31 March 2015</b>	<b>394,047</b>

**ACCUMULATED AMORTISATION**

At 1 April 2014	321,442
Indexation	150
Charge for year	24,278
Depreciation eliminated on disposal	-
<b>At 31 March 2015</b>	<b>345,870</b>

**NET BOOK VALUE**

At 31 March 2014	60,725
<b>At 31 March 2015</b>	<b>48,177</b>

Intangible fixed assets have been reindexed at 31 March 2015 using the indices from the Office for National Statistics and the overall gain of £581 (2014: loss of £3,539) after depreciation was transferred to the revaluation reserve. All intangible assets were owned by CCEA at 31 March 2015.

**INTANGIBLE ASSETS 2013/14****Software Licences**

£

**COST OR VALUATION**

At 1 April 2013	367,289
Indexation	(6,341)
Additions	70,849
Disposals	(49,630)
<b>At 31 March 2014</b>	<b>382,167</b>

**ACCUMULATED AMORTISATION**

At 1 April 2013	353,774
Indexation	(2,802)
Charge for year	20,357
Depreciation eliminated on disposal	(49,887)
<b>At 31 March 2014</b>	<b>321,442</b>

**NET BOOK VALUE**

<b>At 31 March 2013</b>	<b>13,515</b>
<b>At 31 March 2014</b>	<b>60,725</b>

<b>9 OTHER FINANCE COSTS</b>	<b>2015</b>	2014
	£	£
Expected loss on NILGOSC pension scheme assets	<b>245,000</b>	397,000
	<b>245,000</b>	397,000

<b>10 INVENTORIES</b>	<b>2015</b>	2014
	£	£
Teaching Aids	<b>2,119</b>	5,297
	<b>2,119</b>	5,297

<b>11 TRADE AND OTHER RECEIVABLES</b>	<b>2015</b>	2014
	£	£
Trade receivables (see note below)	<b>31,100</b>	853,075
Provision for bad debts	<b>(1,949)</b>	-
Other receivables	<b>502</b>	78,139
Prepayments and accrued income	<b>1,733,032</b>	1,664,992
	<b>1,762,685</b>	2,596,206

#### ANALYSIS OF TRADE RECEIVABLES

	£	£
Local Government	<b>14,768</b>	804,818
Central Government	<b>7,845</b>	43,368
Intra Government Balances	<b>22,613</b>	848,186
Bodies External to Government	<b>8,487</b>	4,889
	<b>31,100</b>	853,075

<b>12 CASH AND CASH EQUIVALENTS</b>	<b>2015</b>	2014
	£	£
Balance at 1 April 2014	<b>1,199,423</b>	699,854
Net change in cash and cash equivalent balances	<b>(846,331)</b>	499,569
<b>Balance at 31 March 2015</b>	<b>353,092</b>	1,199,423

The Following balances at 31 March were held at commercial banks and cash in hand	<b>2015</b>	2014
	£	£
Cash and cash equivalents as in the statement of financial position	<b>353,092</b>	1,199,423

### 13 TRADE AND OTHER PAYABLES

	2015	2014
	£	£
Amount falling due within one year:		
Trade payables (see analysis below)	-	726
Taxes and social security	<b>324,132</b>	308,339
Other payables	<b>48,994</b>	56,165
VAT	<b>7,523</b>	7,361
Accruals and deferred income	<b>2,531,367</b>	1,731,186
<b>TOTAL</b>	<b><u>2,912,016</u></b>	<b><u>2,103,777</u></b>

### ANALYSIS OF TRADE PAYABLES

Central Government Bodies	-	-
Local Government Bodies	-	-
<b>Intra Government Balances</b>	<b>-</b>	<b>-</b>
Bodies External to Government	-	726
<b>TOTAL</b>	<b>-</b>	<b>726</b>

### 14 PROVISIONS

	Unfunded pension liability provision £
Balance at 1 April 2014	<b>708,000</b>
Provided in the year	<b>10,000</b>
Provisions not required written back	-
Provisions utilised in the year	-
<b>Balance at 31 March 2015</b>	<b><u>718,000</u></b>

Analysis of expected timing of discounted flows:

Later than 1 year and not after 5 years	-
Later than 5 years and not after 10 years	<b>199,444</b>
Later than 10 years	<b>518,556</b>
<b>Total</b>	<b><u>718,000</u></b>

#### Unfunded pension liability provision

Full provision has been made for the total liability of CCEA in relation to early departures during the current year and previous years as calculated by the actuaries of the plan, AON Hewitt Limited. Annual costs relating to early departures are offset against fluctuations in the pension liability.



## 15 LEASE COMMITMENTS

### OPERATING LEASES

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

Obligations under operating leases for the following periods comprise	2015	2014
	£	£
Buildings		
Not later than one year	884,280	841,680
Later than one year and not later than five years	3,115,200	2,740,800
Later than five years	954,600	1,541,700
	<u>4,954,080</u>	<u>5,124,180</u>
Other		
Not later than one year	42,702	56,936
Later than one year and not later than five years	-	42,702
Later than five years	-	-
	<u>42,702</u>	<u>99,638</u>

## 16 DEPARTMENT OF EDUCATION GRANTS IN AID

	2015	2014
	£	£
Recurrent grants in aid	19,689,746	20,645,016
Capital grants in aid	507,623	462,538
	<u>20,197,369</u>	<u>21,107,554</u>

## 17 REVALUATION RESERVE

	2015	2014
	£	£
At 1 April 2014	(87,994)	(41,939)
Indexation	5,497	(46,055)
<b>At March 2015</b>	<u>(82,497)</u>	<u>(87,994)</u>

## 18 GENERAL RESERVE

	2015	2014
	£	£
At 1 April 2014	<b>(4,276,632)</b>	(7,592,755)
Operating cost for the year	<b>(22,603,583)</b>	(21,405,425)
Actuarial (loss)/gain	<b>(1,704,000)</b>	3,613,994
Recurrent grants in aid (Note 16)	<b>19,689,746</b>	20,645,016
Capital grants in aid (Note 16)	<b>507,623</b>	462,538
<b>At 31 March 2015</b>	<b><u>(8,386,846)</u></b>	<b><u>(4,276,632)</u></b>

## 19 OTHER FINANCIAL COMMITMENTS

CCEA has not entered into any non-cancellable contracts (which are not leases or PFI contracts) for items of property, plant and equipment.

## 20 RELATED PARTIES

CCEA is a non-departmental public body (NDPB), established by the Education and Libraries (NI) Order 1993, which receives its core funding through grants in aid from DE.

DE is regarded as a related party. During the year, CCEA had a significant number of material transactions with DE and with other entities for which DE is regarded as the parent department, including:

- The Education and Library Boards
- Schools in Northern Ireland
- Education and Skills Authority Implementation Team

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

- (a) D.E.L – Department of Employment and Learning
- (b) Northern Ireland Assembly
- (c) Invest NI
- (d) DRD
- (e) FE Colleges and Universities
- (f) NI Water Limited
- (g) Land & Property Services
- (h) Department of Finance and Personnel

During the year, none of the board members, members of the key management staff, or other related parties undertook any material transactions with CCEA, other than those disclosed in the Remuneration Report.

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

## 21 FINANCIAL INSTRUMENTS

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of CCEA are met through grants in aid provided primarily by the Department of Education, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with CCEA's expected purchase and usage requirements and CCEA is therefore exposed to little credit, liquidity or market risk.

### Liquidity Risk

CCEA has no borrowings and relies primarily on grants in aid from DE and therefore is not exposed to significant liquidity risks.

**Foreign Currency Risk**

As CCEA has no material deposits and all of its assets and liabilities are denominated in sterling, there is no exposure to interest rate risk and foreign currency risk.

**Interest Rate Risk**

CCEA's financial assets and liabilities carry nil or fixed rates of interest. CCEA is not therefore exposed to significant interest rate risk.

**Credit Risk**

As the majority of CCEA's income comes from contracts with other Public Sector bodies, CCEA has low exposure to credit risk.

**22 EVENTS AFTER THE REPORTING PERIOD**

The Council's Accounts were approved on the 24 June 2015 by the Chairperson and Chief Executive and authorised for issue on the 3 July 2015.



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

ISBN Number  
978-1-84639-146-0



INVESTORS  
IN PEOPLE



