

# Sports Council for Northern Ireland Lottery Distribution Account 2012-13

# Sports Council for Northern Ireland Lottery Distribution Account 2012-13

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

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# Directors' Report

## Statutory background

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

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

The Sports Council is charged under the 1993 Act with responsibility for distributing 2.8 per cent of the money allocated to sport. However, as of July 1999 the Sports Council received a reduced contribution of 2.6 per cent as a top sliced contribution of 0.2 per cent became payable to the United Kingdom Sports Council in respect of the United Kingdom wide World Class Performance Programme for elite athletes. In February 2008 a statutory instrument (SI 2008 No. 255 The Payments into the Olympic Lottery Distribution Fund etc. Order 2008) was passed which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of hosting the 2012 games.

The Sports Council is required to prepare a statement of accounts for each financial year in accordance with sections 35(2) and 35(3) of the National Lottery etc. Act 1993 and accounts direction given by the Department of Culture, Arts and Leisure (DCAL), with the approval of the Secretary of State for the Department for Culture, Media and Sport (DCMS). DCAL issued revised Lottery Policy Directions to Sports Council on 16 April 2008, a copy of which is attached to the end of these financial statements. From 16 April 2008 onwards, Sports Council will observe the requirements of these revised directions when distributing funds from the National Lottery.

## Principal functions related to National Lottery Distribution activities

The Sports Council has developed its policies and procedures for the Lottery Fund within the framework of the 1993 Act (as amended by the National Lottery Act 1998) and the policy and financial directions (the Directions) issued under the Act by DCAL. The Sports Council's policies and procedures are continually under review to ensure that they comply with requirements, remain appropriate and that the maximum benefit is achieved for sport in Northern Ireland.

A requirement of the 1998 Act is that the Sports Council prepares and adopts a strategic plan for the distribution of its share of lottery income. The Sports Council has therefore produced a Corporate Plan which covers the period 2011–2015 and outlines how the Sports Council will allocate its share of lottery funding during these four years. The plan illustrates the Sports Council's priorities, activities, targets and programmes during this period.

## Council members of the Sports Council and members of its committees

The Sports Council consists of a Chairman and Vice-Chairman and other persons appointed by the Minister, after a selection and recruitment process that is carried out by DCAL. The function of the Sports Council is to:

- Advise DCAL and other government departments, education and library boards, district councils and other relevant bodies on matters relating to sport and physical recreation;
- Encourage the provision of facilities for, and participation in, sport and physical recreation;
- Assist the provision of relevant services and the organising or supporting of, or participating in, relevant events;

- Assist bodies providing relevant support services; and
- To appoint the Chief Executive by open competition, after consultation with DCAL.

The Participation, Performance and Places Committee's are nominated to advise Sports Council on matters relating to the disbursement of the Lottery Fund and have power in accordance with the policies and criteria adopted by the Sports Council.

The Participation Committee is nominated to advise on policy and practice and implement Council decisions relating to the development of participation in sport in Northern Ireland. The Committee has powers in accordance with the policies and criteria adopted by the Council to:

- Provide policy advice to Council in respect of increasing participation in sport in Northern Ireland;
- Recommend to Council the allocation of funds and other resources to eligible and prioritised schemes in accordance with the agreed policies and criteria;
- Inform Council of decisions taken within agreed delegated authority limits regarding the allocation of funds and other resources to eligible and prioritised schemes in accordance with agreed policies and criteria;
- Ensure that policies and programmes provide for equality of opportunity; and
- Ensure that a strategic monitoring and evaluation process is in place.

The Performance Committee is nominated to advise on policy and practice and implement Council decisions relating to athlete and organisational performance in Northern Ireland. The Committee has powers in accordance with the policies and criteria adopted by the Council to:

- Provide policy advice to Council in respect of increasing athlete and organisational performance in sport in Northern Ireland;
- Recommend to Council the allocation of funds and other resources to eligible and prioritised schemes in accordance with the agreed policies and criteria;
- Inform Council of decisions taken within agreed delegated authority limits regarding the allocation of funds and other resources to eligible and prioritised schemes in accordance with agreed policies and criteria;
- Ensure that policies and programmes provide for equality of opportunity; and
- Ensure that a strategic monitoring and evaluation process is in place.

The Places Committee is nominated to advise on policy and practice and implement Council decisions relating to sport facilities provision in Northern Ireland. The Committee has powers in accordance with the policies and criteria adopted by the Council to:

- Provide policy advice to Council in respect of sports facilities provision in Northern Ireland;
- Recommend to Council the allocation of funds and other resources to eligible and prioritised schemes in accordance with the agreed policies and criteria;
- Inform Council of decisions taken within agreed delegated authority limits regarding the allocation of funds and other resources to eligible and prioritised schemes in accordance with agreed policies and criteria;
- Ensure that policies and programmes provide for equality of opportunity; and
- Ensure that a strategic monitoring and evaluation process is in place.

DCAL appointed members through various recruitment exercises and appointments were made on the following dates with the number of members still currently appointed: four members on 1 January 2008; two members on 1 July 2011; and five members on 1 March 2012. A new Chairman was appointed on the 1 December 2012. All appointments are for a 4 year term. The members of the Participation, Performance and Places Committees are nominated by the Sports Council. The last meeting of these committees took place in April 2012. The following persons served as members during the financial year 2012-13.

### **Sports Council Membership**

Mr B Henning (Chairman) – Appointed 1 December 2012.  
Mr P Turnbull – Appointed Interim Chair 11 September 2012 to 1 December 2012. Resigned 4 March 2013.  
Mr J D’Arcy – Appointed Interim Vice Chair 11 September 2012.  
Mr D Walsh (Chairman) – End of Term 10 September 2012.  
Mr A Money Penny (Vice-Chairman) – End of Term 31 July 2012.  
Mr M Cowan  
Mr B Macaulay  
Mr D O’Connor  
Ms H McGrady – Resigned 14 July 2012.  
Mr R Carr  
Mr P Cummings  
Mr G Campbell  
Mr B Delaney  
Ms R Mallon  
Mr S McCullough  
Mr J O’Neill

### **Performance Committee**

Mr D O’Connor (Chairman)  
Mr M Cowan (Vice-Chairman)  
Mr R Carr  
Mr S McCullough  
Mr J O’Neill

### **Staffing Committee**

The staffing committee is nominated to advise on matters relating to Human Resource Management. The Committee has power in accordance with policies and criteria adopted by the Board:

- to ensure that all human resource functions of the Board reflect best practice and comply with all relevant employment legislation including interaction with Trade Union or representative bodies and the implementation of the Code of Practice;
- to discuss with the Chief Executive or other designated officer, any report or audit of staff with particular regard to the requirements for the Board, its future development and operation;
- to consider all relevant reports in respect of the assessment, implementation and operation of appropriate targets and objectives and measurement of performance in relation to all staff to improve and maintain efficiency and professional standards;
- to discuss any report in relation to the introduction, implementation and operation of suitable training opportunities and career development of staff to ensure the delivery of a high quality customer service;
- to review any report in relation to any proceedings advised or issued by any member of staff;
- to assess and agree targets, standards of performance, goals and objectives in respect of the Chief Executive;

### **Participation Committee**

Mr B Macaulay (Chairman)  
Mr G Campbell  
Mr B Delaney  
Mr S McCullough  
Mr J O’Neill

### **Places Committee Term**

Mr P Cummings (Chairman)  
Ms H McGrady (Vice-Chairperson) – Resigned 14 July 2012.  
Mr R Carr  
Mr B Delaney  
Mr M Cowan

- to monitor the performance of the Chief Executive for the purpose of and within the terms and conditions of the contract of employment of the Chief Executive; and
- to consider any other matters when requested to do so by the Board.

During the year, the following Members sat on the committee:

Mr J D'Arcy (Chairman)

Mr D O'Connor (Vice Chairman)

Mr B McAuley

Ms R Mallon

## **Auditors**

### *External Audit*

Under Section 35(5) of the National Lottery etc. Act 1993 the Comptroller and Auditor General examines and certifies the financial statements of the National Lottery Distribution bodies and lays copies of the statement and his report before Parliament.

The audit fee for the 2012-13 financial statements amounted to £27,000 (2011-12: £27,000).

### *Internal Audit and the Audit and Risk Management Committee*

Sports Council employs an internal auditor who prepares an audit plan, which is approved by the Audit and Risk Management Committee. The internal auditor reports annually on each work area, and these are presented to the Audit and Risk Management Committee for review. During the year the following were the members of the Audit and Risk Management Committee:

Mr P Turnbull (Chairman) – Resigned 4 March 2013.

Mr P Cummings Vice Chairman and then Appointed Acting Chair 4 March 2013.

Ms R Mallon

Mr J D'Arcy

## **Chief Executive**

During 2012-13 the Chief Executive had a period of sickness absence commencing in May 2012, he remained on sickness absence until he retired on 31 October 2012. From 1 June 2012, Nick Harkness, Director of Participation, has been appointed as Acting Chief Executive and Accounting Officer, until Antoinette McKeown the new Chief Executive takes up her post on 2 September 2013.

## **Equality of opportunity**

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

## **Employees with a disability**

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

## Employee consultation

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

## Sustainability/environmental matters

Sports Council Sport Northern Ireland is committed to practices and procedures that minimise impacts on the environment and has continued to make good progress in becoming a more sustainable organisation while still focusing on 'making sport happen.'

Sports Council strategy is to ensure that:

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

## Sickness absence data

The Sports Council had an average of 12.4 days absence per full time equivalent person in 2012-13 (10.09 days: 2011-12).

## Pension liabilities

Details of pension liabilities can be found in the Remuneration Report and note 3 to the financial statements.

## Personal data related incidents

There were no personal data related incidents during the year.

## Payment policy

The Sports Council is committed to the prompt payment of bills for goods and services and aims to process bills within 10 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During 2012-13 Sports Council paid 95 per cent (2011-12: 89 per cent) of invoices within 10 working days.

## Political and charitable donations

The Sports Council made no political or charitable donations during the year.

# Management Commentary

## Principal risks and uncertainties

The Sports Council carried out a significant review of budgets in 2011-12 for the financial years 2011-2015. This is in line with indicative funding from the Department of Culture, Arts and Leisure and the Savings Delivery Plan produced for Sports Council. A draft corporate plan has been produced which ensures there are adequate funds available and there are no significant over commitments in the Lottery Distribution fund.

## Financial results

The Sports Council's Lottery Distribution results are set out in the Statement of Comprehensive Income. Total proceeds and investment income received from the National Lottery totalled £10,119,758 (2011-12: £7,901,004). During the year the Sports Council made soft commitments of £684,299 (2011-12: £1,121,412). The decline in soft commitments made, was a result of prior year commitments made, including funding for future financial years. A total of £5,426,727 (2011-12: £6,950,269) was paid to grant applicants, the remaining balance being held as commitments for future grant payments. The total administrative costs of the Sports Council's Lottery distribution activities, including staff costs but excluding non-cash costs was £675,352 (2011-12: £632,067). This represents approximately 6.7 per cent (2011-12: 8 per cent) of the total National Lottery proceeds received in the year.

## Review of National Lottery Distribution activities

Policy and strategy are reviewed, developed and updated through the three year corporate strategy cycle, business plan review and performance appraisals. The Sports Council measures its performance against 57 key performance indicators contained within the business plan 2012-13. The final outturn for the year identified that 53 (93 per cent) were achieved and 4 (7 per cent) were not achieved.

The following are examples of how the Sports Council for Northern Ireland has used Lottery funding:

### **Participation and facilities**

There are many benefits to be accrued from participating in sport and physical recreation, particularly health. Sport contributes to tackling health issues such as obesity, cardiovascular disease, diabetes, and mental health issues. It enables both physical and psychological development while providing a vehicle for enjoyment and fun, but also ensuring people have access to locally available sporting facilities.

Sports Council's Participation and Facilities Unit support sporting opportunities to increase participation levels in sport and physical recreation among people – of all ages and abilities, and to promote lifelong physical activity. This relies on a range of developments and interventions; places for sport, coaches, governing bodies, volunteers, events, quality programmes based on best practice, and marketing and promotion. Sports Council is working on many fronts to deliver improvements across all these areas in Northern Ireland.

### **Community sport**

#### *Active Communities*

Active Communities continues to make a significant impact in communities throughout this region. The programme is operational in all 26 district council areas, and during this period 117 Active Communities Coaches have delivered 62,356 coaching hours in 40 different sports and activities.

99,066 people have taken part in Active Communities, and they have participated in a total of 903,444 times. Active Communities places a particular emphasis on providing opportunities for people from underrepresented groups to get involved in sport and physical recreation. Accordingly, the programme has provided opportunities for 57,400 females, 14,240 people with a disability, and 12,462 older people to get involved. Active Communities is also being effectively targeted in areas of high social need. For example, while 18.9 per cent of the population of this region live in the 20 per cent of the most deprived wards, 22.5 per cent of Active Communities participants come from these areas, demonstrating a positively disproportionate impact.

There are many examples of individual projects within Active Communities which serve to provide examples of best practice in relation to community sport.

- The Schools Rugby Project in Antrim supported six weeks of coaching in local primary schools, provided opportunities for 220 young people to get involved in rugby. This incorporated a festival event where all participants were afforded the opportunity to meet with first team players from Ulster Rugby, and also resulted in the re-establishment of a mini-rugby section within Antrim Rugby Club.
- In Larne, an exercise group has been established and sustained for people suffering from Multiple Sclerosis. The project has helped to improve the fitness, general health and mobility of many people who previously did not have access to physical activity.
- The Unmasked Dance Performance was led by the Active Communities Dance Coach in Craigavon and brought together 40 young people over an eight-week period to develop a dance routine which highlighted pertinent social issues affecting young people. The project used dance to highlight a range of issues including bullying, teenage pregnancy, suicide and drug and alcohol abuse, and culminated in a public performance of the routine.

In July 2012 a survey of 7,759 participants further emphasised the positive impact of the programme on a personal level, revealing that:

- 97.6 per cent of children, 98.6 per cent of young people and 99.7 per cent of adults enjoyed participating in Active Communities;
- Furthermore, 91.1 per cent of children, 86.5 per cent of young people and 97 per cent of adults would like to continue to participate in the sport/activity that they took part in;
- 93 per cent of young people and 95.1 per cent of adults felt fitter and healthier;
- Before getting involved in Active Communities, 52.9 per cent of young people and 17.1 per cent of adults took part in sport/physical activity three or more times per week. As a result of their involvement in Active Communities, this increased to 70.3 per cent and 39.4 per cent respectively; and
- Since taking part in Active Communities, 39.5 per cent of young people and 39.6 per cent of adults have joined a sports club and/or an organised physical activity group.

Active Communities was formally recognised as the UK Coaching Intervention of the Year for 2012 at the UK Coaching Awards on 20 November 2012. The award was presented by HRH Princess Royal at a ceremony in the Lancaster Hotel, London. This award recognises the effective partnerships that underpin Active Communities; the quality of the coaching workforce being deployed in communities throughout in this region, the innovative projects that they are delivering, and the effective monitoring and evaluation processes which are being used to encourage continuous performance improvement.

### **Performance sport**

Sports Council is committed to developing a world-class sporting system in this region, enabling athletes and teams to maximise their sporting potential and reach their optimum level of performance. Sports Council's Performance Sport Team works to bring about an environment that enables athletes to improve athletic performance. This work requires the parallel development of systems for workforce development, sustained participation, coaching, talent identification /development, alongside sports science and medicine interventions and the provision of financial support to athletes, coaches and governing bodies of sport.

## **Athlete investment programme**

Sports Council's Athlete Investment Programme (AIP) is a Lottery funded investment programme designed to support athletes to develop to their full potential and achieve international sporting success at Olympic, World, European, and Commonwealth level. AIP complements other Sports Council investment programmes, especially the Investing in Performance Sport Programme and Sports Council's investment in to the Sports Institute for Northern Ireland (SINI).

The AIP has two strands – 'sports costs' and 'living costs':

### *Sports costs*

Through the sports costs strand Sports Council investment contributes to costs incurred by governing bodies in implementing an agreed training and competition programme for named athletes leading to participation at a major international event, e.g. attendance at competitions, training camps, etc.

### *Living costs:*

Through the living costs strand, Sports Council investment contributes to the essential personal living costs of an athlete to include rates, rent/mortgage, household expenses, food, and pension, and National Insurance contributions.

In 2012-2013, sports costs awards have been offered to 35 governing bodies of sport in respect of six squads and 91 individual athletes totalling £810,905. An additional investment of £185,514 was made to 24 athletes in respect of living costs.

### *Medal achievements*

In the period 2012-2013, 42 medals were won by athletes directly or indirectly supported by Sports Council in a range of Commonwealth, European, Olympic, Paralympic, and World level events.

Medals won/medal equivalent performance by Sports Council funded athletes in the period April 2012 to March 2013, were as follows:

## **Athletics**

### *Sally Brown (2)*

Bronze Medal, European Championships (T46, 100m) (June 2012)

Bronze Medal, European Championships (T46, 200m) (June 2012)

### *Jason Smyth (2)*

Gold Medal, Paralympic Games (T13, 100m) (World record) (August/September 2012)

Gold Medal, Paralympic Games (T13, 200m) (World record) (August/September 2012)

### *Michael McKillop (2)*

Gold Medal, Paralympic Games (T37, 800m) (World record) (August/September 2012)

Gold Medal, Paralympic Games (T37, 1500m) (Paralympic record) (August/September 2012)

## **Bowls**

### *Men's Triple Squad (1)*

Bronze Medal, World Championships (November/December 2012)

*Men's Fours Squad (1)*

Bronze Medal, World Championships (November/December 2012)

**Boxing**

*Michael Conlan (1)*

Bronze Medal, Olympic Games (52kg) (July/August 2012)

*Paddy Barnes (1)*

Bronze Medal, Olympic Games (49kg) (July/August 2012)

**Canoeing**

*Jake King (1)*

Gold Medal, European Surf Kayaking Championships (Junior High Performance Class) (April 2012)

*Corin King (2)*

Gold Medal, European Surf Kayaking Championships (Men's High Performance Class) (April 2012)

Gold Medal, European Surf Kayaking Championships (Men's International Class) (April 2012)

*Andy McClelland (1)*

Silver Medal, European Surf Kayaking Championships (Junior High Performance Class) (April 2012)

*Chris Hobson (1)*

Silver Medal, European Surf Kayaking Championships (Men's International Class) (April 2012)

**Cycling**

*James Brown (1)*

Bronze Medal, Men's Individual B Road Time Trial, Paralympic Games (August/September 2012)

*Martyn Irvine (4)*

Silver Medal, Track World Cup, Individual Pursuit, personal best time of 4mins 22.74 seconds (November 2012)

Silver Medal, Track World Cup, Scratch Race (November 2012)

Silver Medal, World Track Championships, Individual Pursuit (February 2013)

Gold Medal, World Track Championships, 15K Scratch (February 2013)

**Equestrian**

*Eilish Byrne (1)*

Bronze Medal, Mixed Team Championships, Paralympic Games (August/September 2012)

**Golf**

*Stephanie Meadow (2)*

Ladies British Amateur Golf Champion 2012

Member of the Britain and Ireland Team which won Curtis Cup (May 2012)

*Alan Dunbar (1)*

British Amateur Golf Champion 2012

## **Hockey**

*Men's Ireland Senior Team (1)*

Bronze Medal, FIH Champions Challenge 1 (December 2012)

## **Ice Skating**

*Jenna McCorkell (2)*

Gold Medal, Ondrej Nepela Memorial (October 2012)

Gold Medal, Ice Challenge (November 2012)

## **Judo**

*Lisa Kearney (1)*

Silver Medal, World Cup Event, Tallinn, Estonia (June 2012)

## **Netball**

*NI Netball Team (1)*

Silver Medal, European Netball Championships (May 2012)

## **Snow Skiing (Visually Impaired)**

*Kelly Gallagher (7)*

Silver Medal, IPC Alpine Skiing European Cup, Slalom (December 2012)

Silver Medal, IPC Alpine Skiing European Cup, Grand Slalom (December 2012)

Silver Medal, EC Lenk, Grand Slalom (December 2012)

Silver Medal, EC Lenk, Slalom (December 2012)

Bronze Medal, IPC World Championships, Downhill (February 2013)

Silver Medal, IPC World Championships, Super G (February 2013)

Silver Medal, IPC World Championships, Super Combined (February 2013)

## **Swimming**

*Sycerika McMahon (2)*

Silver Medal, European Long Course Championships (50m breaststroke) (May 2012)

Bronze Medal, European Short Course Championship (set a new Irish Senior Record of 30.34 in 50m Breaststroke) (November 2012)

*Bethany Firth (1)*

Gold Medal, Paralympic Games (100m backstroke) (August/September 2012)

**Squash***Madeline Perry (1)*

Silver Medal, European Squash Team Championships (May 2012)

**Triathlon***Aileen Morrison (1)*

Silver Medal, Triathlon World Series, Madrid (May 2012)

**Waterskiing***Sian Hurst (1)*

Gold Medal, Europe Africa Wakeboard Championships, Open Women's (August 2012)

**2012 Olympic/Paralympic representation**

A total of 28 Northern Irish athletes competed at the London 2012 Olympic or Paralympic Games as set out below:

<b>Sport</b>	<b>Athlete</b>	<b>Olympic / Paralympic Games Representation</b>	
Archery	Sharon Vennard	Paralympic Games	Great Britain and Northern Ireland
Athletics	Michael McKillop	Paralympic Games	Ireland
	Jason Smyth	Paralympic Games	Ireland
	Sally Brown	Paralympic Games	Great Britain and Northern Ireland
Boxing	Paddy Barnes	Olympic Games	Ireland
	Michael Conlan	Olympic Games	Ireland
Canoeing	Hannah Craig	Olympic Games	Ireland
Cycling	Martyn Irvine	Olympic Games	Ireland
	David McCann	Olympic Games	Ireland
	Wendy Houvenaghel	Olympic Games	Great Britain and Northern Ireland
	James Brown	Paralympic Games	Ireland
Hockey	Iain Lewers	Olympic Games	Great Britain and Northern Ireland
Equestrian	Joseph Murphy	Olympic Games	Ireland
	Eilish Byrne	Paralympic Games	Ireland
Judo	Lisa Kearney	Olympic Games	Ireland
Rowing	Alan Campbell	Olympic Games	Great Britain and Northern Ireland
	Richard Chambers	Olympic Games	Great Britain and Northern Ireland
	Peter Chambers	Olympic Games	Great Britain and Northern Ireland
Sailing	Ryan Seaton	Olympic Games	Ireland
	Matthew McGovern	Olympic Games	Ireland
	James Espey	Olympic Games	Ireland
Swimming	Melanie Nocher	Olympic Games	Ireland
	Bethany Firth	Paralympic Games	Ireland
	Laurence McGivern	Paralympic Games	Ireland
Table Tennis	Na Liu	Olympic Games	Great Britain and Northern Ireland
Triathlon	Aileen Morrison	Olympic Games	Ireland
	Gavin Noble	Olympic Games	Ireland

Details of medal-winning performances at the 2012 Games have been provided however other notable performances by Northern Ireland athletes at the Games include:

## 2012 Olympic Games

### **Canoeing**

Hannah Craig – 10th placing in final

### **Equestrian**

Joseph Murphy – 14th placing

### **Swimming**

Sycerika McMahon – Personal Best 2:14.76) in 200m Individual Medley Heat

## 2012 Paralympic Games

### **Athletics**

Sally Brown – 6th placing in the T46 100m final

### **Cycling**

James Brown – 4th placing in the Men's B Track Pursuit

### **Equestrian**

Eilish Byrne – 4th place – Individual Freestyle; 5th place – Individual Championship

### **Swimming**

Laurence McGivern – 8th place in final S9 100m Backstroke

## **Sports Institute Northern Ireland (SINI)**

SINI is a partnership between Sports Council and the University of Ulster (UU). SINI works with athletes and coaches at the UU, Jordanstown and in three Performer Development Centres in Cookstown, Lisburn and West Belfast to improve athletic performance. SINI provides services to three categories of athletes:

- Athletes receiving intensive, individually tailored and integrated services out of the main SINI base;
- Athletes receiving a limited range of services from SINI staff out of a Performer Development Centre; and
- Athletes receiving services as part of a SINI delivery to a squad group.

The table below provides more detail of services available from SINI.

Performance Planning	Technical planning with the athlete and their coach to identify appropriate services, integrate these into the annual plan and ensure implementation against targets.
Performance Skills	A service that enables each athlete to acquire the coping skills necessary for the performance environment, including how to minimise distractions and maximise performance under pressure.
Strength and Conditioning	Delivery of individualised sport specific programmes to develop robust athletes showing gains in the physical aspects necessary for competition at world level.
Sports Medicine	Services that ensure athletes reach and maintain optimum physical health and are able to perform effectively within the performance environment.
Performance Science	<p>A range of sport science services that involve the profiling and monitoring of athlete performance. Information gathered enables prescription of specific individualised strategies that may include for example:</p> <ul style="list-style-type: none"> <li>■ Adjustments to the training programme to produce physiological adaptation (exercise physiology);</li> <li>■ Application of video technology to enhance coach feedback (performance analysis); and</li> <li>■ Specific fuelling and hydration strategies to enhance performance (performance nutrition).</li> </ul>

A major focus for SINI was the 2012 Games. Of the 28 Northern Ireland athletes that competed in the Olympic and Paralympic Games 21 trained at SINI and were supported by SINI staff, five of whom achieved medal success. Twelve staff members had the opportunity to be involved directly in the Games via Team GB, Team Ireland and the London Organising Committee of the Olympic and Paralympic Games (LOCOG).

### Future developments in National Lottery Distribution activities

DCMS has revised allocations of how lottery good causes money is divided between arts, heritage, sports and the Big Lottery Fund. The impact of this has been to increase the percentage funding to Sports Council from 0.433 per cent to 0.468 per cent from 1 April 2011 and 0.520 per cent from 1 April 2013.

### Significant changes in non current assets

The movement in non current assets is set out in note 7 to the financial statements. The main changes included the application of indexation to assets and the depreciation/amortisation charge for the year. The carrying amount of property, plant and equipment decreased from £18,949 to £14,828. Intangible assets decreased from £9,639 to £6,591. There were no new assets acquired, as the Lottery fund will be recharged a cost for use of Exchequer assets.

### Equity at the year end

At the end of the year the Lottery Distribution Account showed an increase in funds of £872,989. This movement along with a transfer between reserves of £2,461 and the general reserve held at the end of 2011-12 of £4,310,855 resulted in the retained funds totaling £5,186,305 at 31 March 2013. This amount will be carried forward to the 2013-14 financial year and will be available for distribution.

The revaluation reserve includes movements on the NLDF account, which relate to unrealised gains/loss; and changes in the valuation of assets. At the 31 March 2013 the balance on this account was £118,420.

## Financial instruments

Details of financial instruments can be found in note 1.13 and note 9 to the financial statements.

## NLDF balance policy

In August 2003 the DCMS issued a Guidance Note (1/03) which proposed that all Lottery Distributors should develop an NLDF policy, and should publish an annual statement in their audited accounts, setting out the basis of the policy and the actions required to manage the NLDF balance. The Sports Council's NLDF policy is included within the accounts at note 8b.

## Audit

So far as I, the Accounting Officer of Sports Council, am aware, there is no relevant audit information of which the Sports Council's auditors are unaware; and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Sports Council's auditors are aware of that information.

## Remuneration Report

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

Within the Sports Council, the previous Chief Executive and Acting Chief Executive are employed on terms analogous to Senior Civil Service Grade 5, while all other executive directors are employed analogous to Grade 7.

As part of the annual pay award, all staff with acceptable performance receive a base pay uplift. There is also a 'Special Bonus Scheme' in place which rewards exceptional performers with a non-consolidated bonus. The non-consolidated bonuses are payable to a proportion of staff as part of the annual pay award. The Staffing Committee agreed that no payments would be made for performance during 2012-13. The pay remit for 2011-12 was approved by the Department of Finance and Personnel and paid in April 2012. The pay remit for 2012-13 has been submitted to DCAL for approval.

The Acting Chief Executive is employed on terms analogous to Senior Civil Service. He is not eligible to receive a non-consolidated bonus payment as part of the 2012-13 pay award. The pay remit for 2009-10 was approved by DFP and paid in August 2012. Following the two-year pay freeze for 2010-11 and 2011-12, the pay remit for 2012-13 is currently being prepared for submission to DCAL shortly.

The Sports Council Staffing Committee is responsible for approving the Chief Executive's salary and assessing his performance. Its membership is made up of the following Council Members:

### **Staffing Committee**

Mr J D'Arcy (Chairman)

Mr D O'Connor (Vice Chairman)

Mr B McAuley

Ms R Mallon

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

During 2012-13 the Chief Executive had a period of sickness absence commencing in May 2012, he remained on sickness absence until he retired on 31 October 2012. During his period of absence, Sports Council appointed an Acting Chief Executive from 1 June 2012, who will remain in this position until the new Chief Executive takes up their position on the 2 September 2013. Due to this position being filled internally, a subsequent vacancy was then created and an Acting Director of Participation was appointed in September 2012.

### **Service contracts**

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

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

## Audited Remuneration and Pension Entitlements – Senior Staff

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

### Audited Information

Employee	2012-13			2011-12		
	Salary £000	Bonus £000	Benefits in kind (to nearest £100)	Salary £000	Bonus £000	Benefits in kind (to nearest £100)
Eamonn McCartan Previous Chief Executive (until 31 October 2012)	70-75 (90-95 full year equivalent)	–	200	90-95	–	200
Nick Harkness Director of Participation (until 31 May 2012)	10-15 (60-65 full year equivalent)					
Acting Chief Executive (from 1 June 2012)	50-55 (60-65 full year equivalent)	–	200	60-65	–	200
Shaun Ogle Director of Performance	65-70	–	200	60-65	–	200
Andrew Sloan Director of Corporate Services	65-70	–	200	60-65	–	200
John News Acting Director of Participation (from 14 September 2012)	30-35 (55-60 full year equivalent)	–	200	–	–	–
Band of Highest Paid Director's Total Remuneration	65-70			90-95		
Median Total Remuneration	29,088			28,355		
Ratio	2.3			3.3 Restated		

Salary costs disclosed for 2012-13, include salary arrears from previous financial years.

Eamonn McCartan, previous Chief Executive was appointed in June 1994. This position is permanent within the definition above, as are the executive director positions. During 2012-13 the Chief Executive had a period of sickness absence commencing in May 2012, he remained on sickness absence until he retired on 31 October 2012. From 1 June 2012, Nick Harkness, Director of Participation, has been appointed as Acting Chief Executive and Accounting Officer. He will remain in post until Antoinette McKeown the new Chief Executive takes up her post on 2 September 2013. From 14 September 2012, John News was appointed as Acting Director of Participation and shall remain in post until September 2013.

### Sports Council Members Emoluments

The Chairman finished his term on 10 September 2012, he received honorarium totalling £4,444 (full year equivalent £10,000) during 2012-13 (2011-12: £10,000). The Chairman's honorarium is not recharged to the Lottery Distribution Account. The Vice-Chairman finished his term on 31 July 2012, he received £1,167 (full year equivalent £3,500) during 2012-13 (2011-12: £3,500), and this was fully recharged to the Lottery Distribution Account. An Interim Chairman was appointed from 11 September 2012 and remained in post until a new Chairman commenced his position on 1 December 2012. An Interim Vice-Chairman was also appointed on 11 September 2012 who is still currently in post. Both the Interim Chairman and Interim Vice-Chairman requested not to be remunerated for their roles. The new Chairman received honorarium totalling £3,333 (full year equivalent £10,000) during 2012-13. The recruitment of a new Vice-Chairman will be progressed by DCAL.

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

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments. This report is based on payments made by the Sports Council before any deduction of recharges to the Lottery Fund.

## Benefits in kind

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

## Bonuses

No bonus will be paid for the performance period 2012-13.

## Core exit packages

The Sports Council processed no exit packages.

## Sports Council pensions

The Sports Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC) and made contributions for 128 employees, of which, 26 were employed for part of the year and 9 were due to the payment of superannuable arrears. All assets, liabilities and operating costs relating to the pension scheme are processed through the Sports Council Exchequer Accounts. A recharge is made to the Sports Council Lottery Distribution Accounts for any pension costs incurred on its behalf. During the year 8 staff were recharged to Lottery.

The NILGOSC scheme is a 'final salary' scheme which is administered by the NILGOSC. The benefits paid under the Scheme are based on length of membership and final salary. NILGOSC maintain a fund to provide for the payment of current and prospective benefits to members of the Scheme. In order to ensure that this objective is achieved, the Committee must determine a suitable investment strategy, which provides both a high return on investments and an acceptable level of risk.

Employee contribution rates are based on pensionable pay and are in the range 5.5 per cent-7.5 per cent. For 2012-13 the rates were as follows:

<b>Band</b>	<b>Range</b>	<b>Contribution Rate</b>
1	£0 – £13,500	5.5%
2	£13,501 – £15,800	5.8%
3	£15,801 – £20,400	5.9%
4	£20,401 – £34,000	6.5%
5	£34,001 – £45,500	6.8%
6	£45,501 – £85,300	7.2%
7	More than £85,300	7.5%

The employer contribution rate for 2012-13 was 19 per cent.

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

Further details about the NILGOSC pension scheme can be found at the website [www.nilgosc.org.uk](http://www.nilgosc.org.uk) and note 3 to the accounts.

## Audited Information

Employee	Accrued pension at	Real increase in	CETV at	CETV at	Real increase
	age 65 as at 31 March 2013 and related lump sum	pension and related lump sum at age 65	31 March 2013	31 March 2013	in CETV
	£000s	£000s	£000s	£000s	£000s
Eamonn McCartan Previous Chief Executive (until 31 October 2012)	40-45 plus 105-110 lump sum	0-2.5 plus 2.5-5 lump sum	935	884	39
Nick Harkness Acting Chief Executive	20-25 plus 55-60 lump sum	0-2.5 plus 0-2.5 lump sum	404	371	25
Shaun Ogle Director of Performance	20-25 plus 55-60 lump sum	0-2.5 plus 0-2.5 lump sum	417	381	27
Andrew Sloan Director of Corporate Services	10-15 plus 25-30 lump sum	0-2.5 plus (0-2.5) lump sum	193	174	15
John News Acting Director of Participation	10-15 plus 25-30 lump sum	0-2.5 plus 0-2.5 lump sum	151	133	17

## Cash Equivalent Transfer Values

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

## Real increase in CETV

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

*Nick Harkness*  
Acting Chief Executive and Accounting Officer  
Sports Council for Northern Ireland

27 June 2013

## Statement of the Council's and Accounting Officer's responsibilities

The Sports Council is required to prepare a statement of accounts for each financial year in accordance with section 35(2) and (3) of the National Lottery etc. Act 1993 and accounts direction given by DCAL, with the approval of the Secretary of State for Culture, Media and Sport.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Sports Council's Lottery distribution activities at the year-end and of its income and expenditure, changes in equity and cash flows for the financial year.

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

- observe the accounts direction issued by DCAL on behalf of the Secretary of State for the Department for Culture, Media and Sport, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer for DCAL has designated the Chief Executive of the Sports Council as the Accounting Officer for the Sports Council. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the finances for which he is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Northern Ireland Department of Finance and Personnel, the guidance contained within *Managing Public Money*, and in the Financial Directions issued by the DCAL on behalf of the Secretary of State for Culture, Media and Sport under s26(3) of the National Lottery etc. Act 1993.

Eamonn McCartan was the Chief Executive and Accounting Officer up to 31 October 2012. From the 1 June 2012, Nick Harkness, Director of Participation, has been appointed as Acting Chief Executive and Accounting Officer. He will remain in post until Antoinette McKeown the new Chief Executive takes up her post on the 2 September 2013.

*Nick Harkness*  
Acting Chief Executive and Accounting Officer  
Sports Council for Northern Ireland

27 June 2013

# Annual Governance Statement

## Scope of responsibility

As Accounting Officer, I have responsibility for ensuring the Sports Council's business is conducted in accordance with the law and proper standards, and that public money is properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, I am responsible for ensuring that there exists a robust framework of governance and accountability designed to instil a sound system of internal control, manage risk and support the achievements of the Sports Council's objectives whilst safeguarding the public funds and Departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money; and ensuring compliance with the requirement of the Sports Council's Management Statement, Financial Memorandum and Statement of Financial Requirements.

I was appointed on the 1 June 2012, prior to that I obtained assurances on governance from discussions and meetings and updates I had with the previous Chief Executive and Accounting Officer and current Directors of Sports Council.

## The Purpose of the Governance framework

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

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

The governance framework has been in place the Sports Council for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

## The Governance framework

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

### Identifying and communicating the Sports Council's vision of its purpose and intended outcomes

My responsibilities include ensuring that the Sports Council produces a three-year corporate plan and an annual business plan within the timescales agreed with the Department of Culture Arts and Leisure (DCAL). The corporate plan helps the Sports Council focus on the future. It sets out the values and investment principles that the Sports Council wants to create and the key issues that it intends to focus on over the next three years. In doing this, the corporate plan provides a sense of direction for the Sports Council, by having an outward focus it helps deal with a changing external environment and helps to ensure that the plan is relevant and connected to the needs of the Northern Ireland public.

The corporate plan for the period 2011–2015, which was approved by DCAL on 21 July 2011 and by Board Members on 2 August 2011, was developed in consultation with DCAL and the Sports Council Members. The plans and priorities are in line with 'Sport Matters: The Northern Ireland Strategy for Sport and Physical Recreation 2009–19'. The corporate plan also contains baseline resources required to effectively deliver against the specified high level targets and outcomes in Sports Matters. A new corporate strategy for 2012-2015 has been developed, following DCAL's decision to undertake further stages of the Regional Stadium Programme in-house. The draft plan is currently with DCAL for review and approval.

Policy and strategy which is developed from the corporate plan, is communicated to internal and external stakeholders through electronic media, internal communications systems, induction, roadshows, seminars, community magazines and training and awareness. Section 75 consultation is undertaken with all new policies programmes.

### Reviewing the Sports Council's vision and its implications for the the Sports Council's Governance arrangements

Policy and strategy are reviewed, developed and updated through the three year corporate strategy cycle, business plan review and performance appraisals. The plans are reviewed regularly by senior management and by the Board to determine progress. Quarterly Assurance Reports are provided to officials from DCAL and are supported by quarterly accountability meetings where progress against strategic objectives and management of emergent issues are reviewed.

In June 2012, DCAL submitted to the Sports Council, its 'Emerging Findings Report from' its assessment of the Sports Council as part of the overall Stage 1 Review of its Arms-Length Bodies (ALB). The Emerging Findings Report highlighted areas where governance and performance issues within the Sports Council required a fresh approach.

The Board of the Sports Council mandated the Audit and Risk Management Committee (ARMC) to undertake an evaluation of the framework of governance within the Sports Council. This evaluation took the form of an independent review which the Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned to complete in July 2012. As a result of the review a Governance Improvement plan and team were set up which by February 2013 updated DCAL with progress and produced a change delivery plan for embedding a new framework. A follow up self-assessment will be carried out in 2013-14.

### Measuring the quality of service, ensuring delivered in accordance with the Sports Council's objectives and for ensuring that they represent the best use of resources

The Sports Council uses the following framework within the business plan for setting and monitoring key performance indicators, which ensure quality of service and that objectives are met in line with limited resources:

- Strategic Priorities and aims;
- Programmes and business areas;
- Key Performance Indicators (Corporate KPIs highlighted in blue);
- Baselines and actual figures for 2011-12;
- Output targets for 2012-13;
- Resource allocation;
- Reference to the relevant Sport Matters and Public Service Agreement (PSA) targets; and
- Lead Officer responsible for programme area(s).

The Sports Council measures its performance against 57 key performance indicators contained within the business plan 2012-13. The final outturn for the year identified that 53 (93 per cent) were achieved and 4 (7 per cent) were not achieved.

Financial performance is assessed through the preparation of management accounts, which are reported to the Board bi-monthly. The National Lottery Distribution Fund (NLDF) policy is reviewed annually to ensure that targets are in place for minimising the balance held and that investments are strategic led.

### Defining and documenting the roles and responsibilities of the Executive, Non-Executive, Scrutiny and Officer functions, with clear delegation arrangements and protocols for Effective Communication

As Accounting Officer, I act in accordance with both the Management Statement and Financial Memorandum, and the Department of Finance and Personnel (DFP) Memorandum, 'The Responsibilities of a Non-Departmental Public Body Accounting Officer', which sets out my accounting responsibilities. The Management Statement and Financial Memorandum sets out the relationship between DCAL and the Sports Northern Ireland, and defines the financial and administrative framework within which the Sports Council operates. The Financial Memorandum, which should be read in conjunction with the Management Statement, sets out the framework for the management and control of the finances of the Sports Council. These documents are in addition to, and not in substitution for, any guidelines or directions issued by DCAL on the exercise of any individual functions, powers and duties of the Sports Council.

Non-executive governance is undertaken by Sports Council Board Members which at the year-end consisted of the Chairman, Acting Vice-Chairman and ten other members appointed by DCAL. Further details are contained in the annual report on pages 4-5. The 2012-13 attendance record for Board Members is detailed in the table on the following page.

The Board operates a committee system, under which committees report to the Board as a whole (see pages 3-4). A number of committees operated at the start of the year, however through a review of processes they were reduced to Audit and Risk Management Committee and Staffing Committee. Each committee has its own terms of reference delegated by the Board, outlined within the Sports Council Scheme of Delegation. The Scheme of Delegation serves as a tool for the Board to regularly review, at a glance, where it makes decisions and on what issues, and whether it wishes to delegate more or less decision-making authority to the Chief Executive. It also serves as a guide and enables the Sports Council staff where they have authority to make decisions. A Financial Delegation Limits Policy governs decisions on awards and contracts. Delegated decisions operate at senior management and Board level. This policy which is annexed to the Scheme of Delegation was updated in February 2013.

Executive management is led by Sports Council's Senior Management Team (SMT) which consists of three Directors and myself. The SMT meets formally each month, but members are in contact at least weekly. All members of SMT attend Board meetings. SMT considers key policy, strategic and operational matters, provides advice to the Board on matters requiring its approval and oversees the performance and risk management of Sports Council as a whole.

Appropriate management structures have been created by Directors throughout the organisation to oversee their respective divisions, programmes and projects being operated through Sports Council. Information flows to and from the Sports Council Board meetings by way of reports prepared by officers with recommendations when appropriate, and minutes prepared. The Sports Council and committee minutes are placed onto the intranet to which all staff have access, and decisions are actioned by senior management via a series of meetings. The Sports Council minutes are available on the internet for the public to access.

**Board Meeting Attendance 2012-13**

Name	30/3/12	1/5/12	18/5/12	14/6/12	4/7/12	31/7/12	15/8/12	10/9/12	16/10/12	13/11/12	12/12/12	5/2/13
B Henning	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	√
D Walsh	√	√	√	√	√	√	√	√	N/A	N/A	N/A	N/A
A Moneypenny	√	√	√	√	√	√	√	√	√	√	√	√
G Campbell	√	√	√	√	√	√	√	√	√	√	√	√
R Carr	x	√	√	√	√	√	√	√	√	√	√	√
M Cowan	√	x	√	√	√	√	√	√	√	√	√	√
P Cummings	√	√	√	√	√	√	√	√	√	√	√	√
J D'Arcy	√	√	√	√	√	√	√	√	√	√	√	√
B Delaney	√	√	√	√	√	√	√	√	√	√	√	√
B Macauley	√	√	√	√	√	√	√	√	√	√	√	√
R Mallon	√	√	√	√	√	√	√	√	√	√	√	√
S McCullough	√	√	√	√	√	√	√	√	√	√	√	√
H McGrady	√	√	√	√	√	√	√	√	√	√	√	√
D O'Connor	√	√	√	√	√	√	√	√	√	√	√	√
J O'Neill	√	√	√	√	√	√	√	√	√	√	√	√
P Turnbull	√	√	√	√	√	√	√	√	√	√	√	√

√ – In Attendance

x – Not In Attendance

N/A – Not a Member

The Sports Council Staffing Committee consisting of four members of the Board, with a quorum of two. The terms of reference are contained within the annual report. During 2012-13 the Staffing Committee received information and/or advised on/approved the following matters:

- Absence levels within the organisation (considering impact of long-term and short-term absences).
- Payment of occupational sick pay beyond prescribed maxima for staff on individual basis, due to exceptional circumstances.
- Chief Executive performance appraisal rating.
- TUPE of staff working on the regional stadiums to DCAL.
- Recruitment challenges and impact on delivery of the business plan e.g. recruitment freeze.
- Regular update on recruitment activities, following removal of recruitment freeze.
- Long term sickness absence of Chief Executive and subsequent retirement.
- Update on pension contributions of staff.
- Recruitment process of new Chief Executive.
- Human Resource Management projects to be implemented in 2013-14.

The Committee met seven times during 2012-13. The attendance of the Committee members during the year was as follows:

Member/Officer	1/5/12	4/7/12	19/7/12	27/7/12	4/9/12	28/11/12	21/3/12
J D'Arcy	√	√	√	√	√	√	√
D O'Connor	√	√	√	√	√	√	√
R Mallon	x	√	√	√	√	√	√
B Macauley	√	x	√	√	√	√	√

√ – In attendance      x – Not in attendance

Details of the Audit and Risk Management Committee are contained in section 7.

### Developing, communication and embedding codes of conduct, defining the standards of behaviour for members and staff

Board Members and officers are bound by the Northern Ireland Civil Service (NICS) code of conduct. As part of the Sports Council's induction framework, Members and Officers are advised of these codes and the Nolan seven principles of conduct underpinning public life.

The Sports Council has an approved Anti-Fraud and Corruption policy. This policy covers the prevention, detection and management of fraud and/or corruption and fair dealing in matters pertaining to fraud and/or corruption. It aims to raise the awareness of fraud and its prevention and to give guidance to both the reporting of suspected fraud and how the investigation of that report will proceed. The Sports Council's Anti-Fraud and Corruption policy was updated in September 2012. The new policy and procedures includes guidance on the Service Level Agreement between DCAL and DARD Central Investigation Services (CIS). DARD CIS now provide a dedicated resource to investigate cases of suspected internal and external fraud and irregularity and has the authority to conduct criminal investigations.

A Whistleblowing Policy was approved by the Sports Council in April 2009, and ensures that any employee or Board Member can confidentially raise concerns, which relate to possible illegal or improper behaviour within the Sports Council, without putting their positions at risk.

The Sports Council has an approved Gifts, Benefits and Hospitality Policy in place, with a register to ensure appropriate approvals in place. The policy outlines that Board Members and employees should avoid putting themselves in a position where their integrity is called into question because of any financial or other obligation. As well as avoiding actual impropriety, the appearance of it is also advised to be avoided. The policy was updated in October 2012.

The Sports Council operates a Conflict of Interest policy. The policy was updated and approved by the Board in February 2010. Throughout the year the Sports Council has abided by the procedures for handling potential conflicts of interest between its members and its officers and organisations submitting projects. These procedures include maintenance of a register of interests. The Sports Council Members or officers declaring any direct interest in grant applications exclude themselves from the decision-making process.

The Sports Council is fully committed to protecting the privacy of all individuals including staff, contractors, service users and others, by ensuring lawful use of their personal information. A Data Protection Policy was approved by the Board in June 2009 and an Information Security Policy approved in February 2012. The purpose of this policy is to set out how the Sports Council will ensure compliance with the provisions of the Data Protection Act 1998. The policy has been implemented throughout the organisation.

Policies are communicated at induction and via the intranet.

**Reviewing and updating management statement and financial memorandum;, financial instructions, scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks.**

The Management Statement and Financial Memorandum has recently been updated by the Department and the Sports Council has been consulted on its content and afforded the opportunity to comment on its content prior to final approval by the Minister for Culture, Arts and Leisure, DFP and the Public Service Improvement Unit of the Office of the First Minister and Deputy First Minister. These documents are reviewed periodically.

The Sports Council also adheres to best practice as per the Lottery Financial Directions. These directions are currently incorporated within the Management Statement and Financial Memorandum. The additionality principle refers to the policy that Lottery funding should be additional to and clearly distinct from public expenditure and provision. The Sports Council ensures the additionality principle is implemented via its NLDF Policy, budget setting process and through a challenge fund process for all grant programmes which reviews such areas as financial viability, partnership funding etc.

The Sports Council has a Financial Delegation Limits Policy in place for guiding the senior management team and the Board in making decisions on awards and contracts up to specific thresholds. The Sports Council also has an Investment Policy in place which is designed to ensure that the Sports Council.

- Complies with DFP requirements for the Sports Council, as a Non-Departmental Public Body, to adhere to the Northern Ireland Guide to Expenditure Appraisal and Evaluation (Guidance for Northern Ireland Departments on the Appraisal, Evaluation, Approval and Management of Policies, Programmes and Projects) and satisfy public accountability requirements;
- Applies the principle of proportionate effort, thus ensuring that undue burden is not placed on applicants or indeed the Sports Council staff; and
- Improves the efficient and effective operation of the Sports Council activities, ensuring best practice and consistency across the organisation. The business case methodology is used to define problems and find solutions to offer the best value for money for the Sports Council. The risk management process provides the Sports Council with an increased understanding of risks, thus improving decision-making to adapt to changes, exploit opportunities and avoid failures. The monitoring and evaluation process provides lessons to improve the decision-making process and justifies the case for increased expenditure in sport.

The three specific policies linked to the Investment Policy and implemented throughout the Sports Council are as follows:

- The Sports Council's Business Case Policy – designed to outline policy recommendations for the formal use of Business Case methodology in all the Sports Council's investments.
- The Sports Council's Risk Management Policy – designed to outline policy recommendations for the formal framework for risk assessment and management in all the Sports Council's investment decisions, particularly at a programme and project level.
- The Sports Council's Monitoring Policy – designed to outline policy recommendations for the formalisation of a monitoring and evaluation framework at a corporate, programme and project level.

The Sports Council's Risk Management Policy approved by the Board in October 2009, covers all Sports Northern Ireland activities. The policy explains the underlying approach to risk management, documents the roles and responsibilities of the Board, the Accounting Officer, Heads of Unit, Operations Group, staff and the Audit and Risk Management Committee. It also outlines key aspects of the risk management process and identifies the main reporting procedures. In particular, the Policy outlines the inextricable link between risk management and the corporate and business planning process. The policy is complemented by a risk management strategy, the objectives of which are to:

- Emphasise the importance of risk management to the continuing success of the Sports Council.
- Demonstrate how risk relates to the achievement of objectives.
- Inform the Department and other key stakeholders of key risks influencing the achievement of the Sports Council objectives.
- Assure the Department as to the effective management of risk by the Sports Council.
- Create an understanding of the processes undertaken by the Sports Council to ensure the successful identification and management of risks.
- Provide guidelines for staff and Members, of their responsibilities and duties in managing risk.

The risk register consists of eight key risks which have actions taken to treat the risk, or if this is not possible then the Board has agreed that the level of risk can tolerated. The risks include: ineffective management of capital projects; material underspend by Sport Council funded capital projects; ineffective governance; non-achievement of objectives <10 per cent; fraud; inadequate health and safety arrangements; inappropriate disaster recovery procedures; and poor information management. The first five are classified as medium risk with the remaining three low level.

An Evaluation Policy was also produced and approved by the Board in December 2009. The aim of this policy is to establish a consistent approach to evaluation across the Sports Council which is relevant to all programmes, projects and policies regardless of the source, scale and type of investment. This policy should be considered in conjunction with the Sports Council's Business Case Policy and complements the revised Monitoring Policy.

### Undertaking the Core Functions of an Audit and Risk Management Committee

The Sports Council has an Audit and Risk Management Committee which has operated since 1995. The Committee consists of four members of the Board, with a quorum of two. The Audit and Risk Management Committee performs the following core functions:

- Consider the effectiveness of the Sports Council's risk management arrangements, the control environment and associated anti-fraud and anticorruption arrangements.
- Seek assurance that action is being taken on risk related issues identified.
- Satisfy themselves that the Sports Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- Approve Internal Audit's strategy, plan and performance.

- Review summary audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- Review and consider interim and annual assurance reports.
- Consider reports from the Northern Ireland Audit Office and monitor management action in response to issues raised.
- Review the financial statements.

The Audit and Risk Management Committee will advise the Chief Executive and Board on:

- The strategic processes for risk, control and governance.
- The accounting policies and the accounts of the organisation.
- The planned activity and results of both internal and external audit.
- Adequacy of management response to issues identified by audit activity.
- Assurances relating to the corporate governance requirements for the organisation.

The committee met 5 times during 2012-13. The attendance of committee Members during the year was as follows:

Member/Officer	1/5/12	3/7/12	31/7/12	19/12/12	26/3/13
P Cummings	x	√	√	√	√
J D'Arcy	√	√	√	√	√
R Mallon	√	√	√	√	√
P Turnbull	√	√	√	√	x

√ – In Attendance      x – Not In Attendance

A self-assessment was undertaken of the Audit and Risk Management Committee in 2009, which concluded that the Committee are in a favourable position overall with regards to best practice arrangements. In 2011, the role of the Audit and Risk Management Committee was encompassed within the external quality assessment of the Sports Council's Internal Audit Function. Aspects of the Audit and Risk Managements Committee activities were subject to further independent review as part of the aforementioned Governance Review. A self-assessment is planned for 2013-14.

### Ensuring Compliance with Relevant Laws and Regulations, Internal Policies and Procedures, and that Expenditure is Lawful

The Sports Council operates under a system of standing orders, financial procedures that all Members and officers must follow. There are clearly defined guidelines for capital expenditure, procurement, human resources management and project management. Employees are made aware of the Sports Council's financial arrangements through training and under the induction process.

The Sports Council has a corporate risk register in place which identifies the key risks facing the organisation. This register has been developed in line with best practice and is subject to regular review and update. The register outlines those risks which if materialised would threaten the achievement of objectives. All risks are being managed within an appropriate appetite level. The corporate risk register is reviewed by both the Audit and Risk Management Committee and Board at each meeting.

The Senior Management Team take responsibility for applying and overseeing the application of the risk management process primarily to ensure that it is operating as intended, to challenge the content of the risk registers and enable myself to report on the process to the Board. In addition, to reviewing the risk framework, all recommendations received from both the internal and external auditors are reviewed, with controls being enhanced or introduced as necessary. In terms of project risk, skilled and competent staff undertake financial and governance health checks for high value projects. This is coupled with annual governance checks of the Sports Council's governing bodies. All staff are expected to work within the Sports Council's policies on risk management; alert management to emerging risks or control weaknesses; participate fully in the risk management process; and assume responsibility for risks and controls within their own areas of work.

Training is undertaken throughout the year to reduce risk. All new members of staff were taken through an extensive induction programme which includes: employment, finance and accountability arrangements. AccessNI checks (criminal record) were carried out on all relevant posts. Sports Council also carries out training throughout the year e.g. section 75, cost control and procurement/evaluation, and currently funds a number of people to undertake courses aimed at increasing their knowledge, whilst reducing risk for the organisation.

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

The Sports Council has terms and conditions in place for all grant awards. These terms and conditions outline what the grant recipient must adhere to and they also incorporate a clause which enables clawback of grant paid if terms and conditions of award are not met. In addition, the Sports Council has procedures manuals in place which outline the detailed processes which a grant award must go through before monies are released. Procedures are subject to periodic review by internal audit to assess adherence by the Sports Council, and any recommendations to further enhance controls/procedures are incorporated. The Sports Council has an internal audit section which performs reviews of systems across all units of the Sports Council and provides management with an opinion on the controls within each area reviewed.

The Sports Council avoids inefficiency through applying its investment policies and adhering to government procurement guidelines. In addition, the budgeting process and production of management accounts ensures that funds are allocated to projects which have been identified as priority areas. The Sports Council continually reviews its organisational structure with the aim to ensure efficiencies are made and the harmonisation of procedures across the organisation.

The Sports Council takes legal advice as required.

### Whistle-blowing and for receiving and investigating complaints from the public

The Sports Council approved a Whistle-blowing Policy in April 2009. The Sports Council's Anti-Fraud and Corruption policy contains a procedure for dealing with receipts of suspicions of fraud from members of the public. See section 5 for further details.

### Identifying the development needs of members and Senior Officers in relation to their strategic roles, supported by training

All members receive On-Board training by CIPFA and an induction on commencement as new member of the Board. The training covers: Structures and Standards; Roles and Responsibilities; Managing Relationships; The Nolan Principles in Practice; and Accountability.

The development needs of senior officers are identified through the appraisal process. Training needs are identified through this process and training is arranged.

## Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

All new policies/programmes introduced during the year have been fully consulted on and screened for Section 75 compliance.

### Review of effectiveness

#### **Board**

The Corporate Governance Code for Central Government Departments issued by HM Treasury does not directly apply to Sports Council. However, the arrangements in place at the Sports Council reflect good practice and the Sports Council has complied with the code, insofar as it is relevant to the circumstances of the Sports Council. In May 2013, the Board undertook a self-effectiveness review based on the information contained within the Code. The Board upon completion of this review considers that it complies with the best practice principles espoused with governing guidance. However, any evaluation against best practice will open up areas for improvement. The Board's self-assessment has identified three areas for the Board to focus on over the next 12 months. These areas are as follows:

#### ■ Succession Planning

The Board of Sports Council is appointed by DCAL and succession planning in respect of the strategic leadership of the organisation will rest with DCAL. The Chair however recognises his role in ensuring that associated risks be communicated appropriately and in a timely manner, in particular around Board vacancies. Given the current shortages within the Board, this issue is pertinent to the successful performance of the Board and has been raised with DCAL. The associated risk is considered low in the short term, but failure to address the issue in a timely manner will impact on Board effectiveness over the medium to long term.

Internally, the performance management system has been refined to improve reporting and feedback with a view to developing and enhancing skills internally and ensuring that skills gaps do not exit upon departure of key staff. This will be a continual process.

#### ■ Reporting

The evaluations by both DCAL and CIPFA in 2012 highlighted the need for improvements around the timeliness and quality of information provided to the Board. The Board have reviewed this matter and recognise that the quality and timing of information in the past was not what it could have been.

This particular issue has now been addressed in particular, via the governance improvement plan, which has culminated in a process which ensures Board information is both timely and of the requisite quality. Board agendas are now developed by the Chief Executive in consultation with the Chair. In addition, the role and remit of the Board has been clearly articulated within the revised Board Terms and Reference and it is this coupled with other relevant guidance such as the Scheme of Delegation and Management Statement and Financial Memorandum that now direct the information filtered through the Board. Papers to the Board are now in a standard format and clearly denote recommendations and Committee Minutes likewise. Board Minutes also now denote all decisions and action points.

#### ■ Risk Appetite

As part of the governance improvement plan a revised approach to risk management was developed and which encompasses clearer articulation by the Board of Sports Council's risk appetite. This framework is organisation wide and is still in implementation stage. When fully implemented, Sports Council's risk appetite will be determined and reflected in the corporate risk register which will be collated from information from multiple risk registers.

While all Directors and managers currently feed into the corporate risk register there presently is no formal migration of operational risk registers upwards. This will form part of the governance embedding work and it is envisaged that this work will be completed by August 2013. In the interim, a consultation exercise is carried out when updating the Corporate Risk Register which facilitates the completion of a register that is adequately informed and which enables the joint articulation by management and the Board of the level of uncertainty they are willing to assume as they pursue the rewards expected from the successful realisation of Sports Council's strategy.

## Overall Assessment of Governance and Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of its governance framework. My review of the effectiveness of the system of internal control is informed by the work of Internal Auditor and the senior managers within the Sports Council who have responsibility for the development and maintenance of the internal control framework, and comments made by the External Auditors in their Report to those charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Sports Council, the Audit and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Sports Council continues to review its programmes and procedures in order to ensure that it meets appropriate standards, best practice and continues to work towards efficiencies. This will continue in 2013-14 via reviewing policies and procedures, training programmes and reassessing contractual agreements.

The Board obtains assurances on its governance through its Audit and Risk Management Committee. The Audit and Risk Management Committee met on 5 occasions during the year and received progress reports from both the Sports Council's external auditor on the financial statements and its internal auditor regarding work completed to date. The Audit and Risk Management Committee reported back to the Board following each of its meetings. In line with best practice, an annual report is prepared by the Audit and Risk Management Chair and presented to the Board. A summary of key points from the report are as follows:

- The committee considers there to be a strong framework of Governance in place and will seek to oversee embedding the enhancements realised from the governance improvement exercise.
- The introduction of the 'issues log' has strengthened risk management processes and serves as an early warning mechanism and has aided communications of non-strategic issues to DCAL.
- Internal audit resources throughout the year had to be redirected to unplanned work. Despite this 80 per cent of the audit plan was completed and a satisfactory level of assurance obtained.
- The committee considers there to be a sound anti-fraud framework in place, and appropriate controls exist to prevent, detect and manage fraud.
- The annual report and accounts 2011-12 were unqualified by NIAO and nine recommendations made, which have been addressed by management.
- The committee is satisfied that an appropriate framework of internal control exists across the organisation.
- Future risks and challenges identified include: increased risk of fraud as a result of the current economic climate and public sector budgetary pressures.

Sports Council Internal Auditor has provided a satisfactory level of assurance for the Sports Council within the draft annual report and opinion which covers the period 1 April 2012 to 31 March 2013. A similar level of assurance is expected for the Sports Institute Northern Ireland. Internal Audit awarded one limited opinion in relation to the Sports Council's system of internal control governing procurement. The weaknesses identified, pertain to the absence of robust procedures and clearly assigned responsibilities over procurement. Management has taken steps to address the priority areas identified by way of undertaking a comprehensive review of all current live contracts and the review and updating of current procurement procedures in line with best practice. Designated resources have been allocated to oversee this exercise which will be completed by July 2013. This system will be subject to a further review by Internal Audit as part of its 2013-14 audit plan. The weaknesses identified within this system do not render the overall system of internal control within the Sports Council limited.

Within its Annual Report and Opinion, Internal Audit identified three key risks, those being the ongoing risk of fraud, third party risks in particular those associated with the 'going concern' of contractors with whom the Sports Council applicants are engaged and the increasing level of allegations being received, real and malicious which utilise resource to investigate. Steps taken by management have included pre-appointed check of contractors, the scheduling of further fraud and whistleblowing training for staff and incorporating into the annual internal audit plan further time to accommodate investigative work. Management have put in place controls to address these risks as far as is reasonably practicable and these risks will continue to be monitored.

The Sports Council has a risk register in place that is reviewed regularly by the senior management team. It is also reviewed by the Audit and Risk Management Committee and presented to the Board. There were no new risks identified for inclusion to the register during 2012-13.

Throughout the year, I obtained assurance on risk management and control procedures from senior managers, based on information and reports produced by them. Quarterly Assurance Statements are sent to DCAL, these documents provide updates on current issues which myself and senior managers are addressing. I am satisfied that systems of internal control were adequate in 2012-13.

### Loss of data

Sports Council treats information security obligations extremely seriously. During 2012-13 there were no reportable losses of personal data.

### Ministerial Directions

Sports Council received no Ministerial Directions through the year that would have impacted on risk or controls within Sports Council.

### Grants Under Investigation

Two historic grant funded projects are being progressed through the small claims courts for recovery of grant funds. A further two cases were investigated during the year with no fraud identified.

*Nick Harkness*  
Acting Chief Executive and Accounting Officer  
Sports Council for Northern Ireland

27 June 2013

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

I certify that I have audited the financial statements of the Sports Council for Northern Ireland Lottery Distribution Account for the year ended 31 March 2013 under the National Lottery etc. Act 1993. These comprise: the Statements of Comprehensive Net Income, Financial Position, Cash Flows, Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Council, Accounting Officer and Auditor

As explained more fully in the Statement of the Council's and Accounting Officer's responsibilities, the Sports Council for Northern Ireland and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Sports Council for Northern Ireland Lottery Distribution Account's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Sports Council for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report, Statement of the Council's and Accounting Officer's responsibilities and Annual Governance Statement 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 Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on regularity**

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

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Sports Council for Northern Ireland Lottery Distribution Account's affairs as at 31 March 2013 and of the net income for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder with the approval of HM Treasury.

### **Opinion on other matters**

In my opinion:

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

### **Matters on which I report by exception**

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

- adequate accounting records have not been kept; or
- 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 HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

*Amyas C E Morse*  
Comptroller and Auditor General

3 July 2013

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

## Statement of Comprehensive Net Income for the year ended 31 March 2013

	Note	2012-13 £	2011-12 £
<b>Expenditure</b>			
Staff costs	3	<b>322,867</b>	279,397
Depreciation and amortisation	7	<b>11,086</b>	9,750
Other expenditure	4a	<b>352,485</b>	350,949
Grant commitments	4b	<b>9,566,921</b>	7,177,304
Grant hard de-commitments	4b	<b>(978,680)</b>	(637,348)
<b>Total expenditure</b>		<b>9,274,679</b>	7,180,052
<b>Income</b>			
Income from activities	5	<b>10,119,758</b>	7,901,004
Other income	6	<b>27,910</b>	61,364
<b>Total income</b>		<b>10,147,668</b>	7,962,368
<b>Net income</b>		<b>872,989</b>	782,316
<b>Other comprehensive income/(expenditure)</b>			
Net gain/(loss) on revaluation of property, plant and equipment	15	<b>2,595</b>	(236)
Net gain on revaluation of intangible assets	15	<b>1,322</b>	14
Net gain on revaluation of NLDF	15	–	88,027
<b>Total comprehensive income/(expenditure) for the year ended 31 March 2013</b>		<b>876,906</b>	870,121

All activities were continuing in the year.

*The notes on pages 39 to 53 form part of these accounts.*

## Statement of Financial Position as at 31 March 2013

	Notes	2012-13 £	2011-12 £
<b>Non-current assets</b>			
Property, plant and equipment	7a	<b>14,828</b>	18,949
Intangible assets	7b	<b>6,591</b>	9,639
<b>Total non-current assets</b>		<b>21,419</b>	28,588
<b>Current assets</b>			
Trade and other receivables	10a	<b>13,955</b>	-
Financial assets	8a	<b>12,790,929</b>	9,271,027
Cash and cash equivalents	11	<b>260,238</b>	326,802
<b>Total current assets</b>		<b>13,065,122</b>	9,597,829
<b>Total Assets</b>		<b>13,086,541</b>	9,626,417
<b>Current liabilities</b>			
Trade and other payables	12a	<b>(179,514)</b>	(232,396)
Grant Commitments	12a	<b>(7,337,764)</b>	(4,469,202)
<b>Total current liabilities</b>		<b>(7,517,278)</b>	(4,701,598)
<b>Non-current assets plus net current assets</b>		<b>5,569,263</b>	4,924,819
<b>Non-current Liabilities</b>			
Grant Commitments	13a	<b>(264,538)</b>	(497,000)
<b>Total non-current liabilities</b>		<b>(264,538)</b>	(497,000)
<b>Assets less liabilities</b>		<b>5,304,725</b>	4,427,819
<b>Equity</b>			
General Reserve		<b>5,186,305</b>	4,310,855
Revaluation Reserve	15	<b>118,420</b>	116,964
<b>Total reserves</b>		<b>5,304,725</b>	4,427,819

Nick Harkness  
Acting Chief Executive and Accounting Officer  
Sports Council for Northern Ireland

27 June 2013

*The notes on pages 39 to 53 form part of these accounts.*

## Statement of Cash Flows for the year ended 31 March 2013

	Note	2012-13 £	2011-12 £
<b>Cash flows from operating activities</b>			
Net Income		<b>872,989</b>	782,316
Funds received into National Lottery Distribution Fund	5	<b>(10,119,758)</b>	(7,901,004)
Depreciation and amortisation	7	<b>11,086</b>	9,750
Permanent diminution	4a	–	(1,720)
(Increase)/decrease in trade and other receivables	10	<b>(13,955)</b>	31,180
Increase/(decrease) in trade and other payables less than one year	12	<b>2,815,680</b>	(1,592,589)
Decrease in other payables greater than one year	13	<b>(232,462)</b>	(94,333)
<b>Net cash outflow from operating activities</b>		<b><u>(6,666,420)</u></b>	<u>(8,766,400)</u>
<b>Cash flows from investing activities</b>			
Tax paid		–	(205)
<b>Net cash outflow from investing activities</b>		<b><u>–</u></b>	<u>(205)</u>
<b>Cash flows from financing activities</b>			
Draw down from National Lottery Distribution Fund	8a	<b>6,074,442</b>	7,437,790
Olympic transfer	8a	<b>525,414</b>	1,128,095
<b>Net cash inflow from financing activities</b>		<b><u>6,599,856</u></b>	<u>8,565,885</u>
<b>Net decrease in cash and cash equivalents in the period</b>	11	<b>(66,564)</b>	(200,720)
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b><u>326,802</u></b>	<u>527,522</u>
<b>Cash and cash equivalents at the end of the period</b>	11	<b><u>260,238</u></b>	<u>326,802</u>

The notes on pages 39 to 53 form part of these accounts.

## Statement of Changes in Equity for the year ended 31 March 2013

	Note	General Reserve £	Revaluation Reserve £	Total Reserves £
<b>Balance at 31 March 2011</b>		<b>3,527,413</b>	<b>30,285</b>	<b>3,557,698</b>
<b>Changes in equity for 2011-12</b>				
Net gain on revaluation of investments	8a	-	88,027	88,027
Transfer between reserves		1,126	(1,126)	-
Net loss on revaluation of property, plant and equipment*		-	(236)	(236)
Net gain on revaluation of intangible assets*		-	14	14
Retained Surplus		782,316	-	782,316
<b>Balance at 31 March 2012</b>		<b>4,310,855</b>	<b>116,964</b>	<b>4,427,819</b>
<b>Changes in equity for 2012-13</b>				
Transfer between reserves	15	2,461	(2,461)	-
Net gain on revaluation of property, plant and equipment		-	2,595	2,595
Net gain on revaluation of intangible assets		-	1,322	1,322
Retained Surplus		872,989	-	872,989
<b>Balance at 31 March 2013</b>		<b>5,186,305</b>	<b>118,420</b>	<b>5,304,725</b>

\* Changes in the Revaluation Reserve have been restated to disclose movements on intangible assets and property, plant and equipment assets separately.

*The notes on pages 39 to 53 form part of these accounts.*

# Notes to the Accounts

## 1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2012-13 Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the circumstances of the Sports Council for Northern Ireland Lottery Distribution Accounts for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Sports Council for Northern Ireland Lottery Distribution Accounts are described below. They have been applied consistently in dealing with items that are material to the accounts.

### 1.1 Accounting convention

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

### 1.2 Property plant and equipment and intangible assets

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

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

### 1.3 Depreciation and amortisation

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

Assets are depreciated over their useful lives as follows:

Information Technology (Hardware)	four-nine years
Office Furniture & Equipment	five years
Intangible Assets	two-nine years

### 1.4 Revaluation of assets

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

### 1.5 Impairment of assets

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

### 1.6 Pension costs

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

### *1.7 Financial assets – investments*

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

### *1.8 Income*

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

### *1.9 Allocation of costs*

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

### *1.10 Grant commitments*

The following are the two types of grant commitments:

- 1 A soft commitment occurs when there is agreement in principle by Sports Council to fund a scheme and a formal offer made to the applicant body.
- 2 A hard commitment is analogous to a commitment arising from a legally binding contract.

A soft commitment (disclosure note only) changes to a hard commitment as soon as the applicant returns a signed copy of the contract offer having complied with any special conditions incorporated in the contract.

Hard commitments are recognised in the Statement of Comprehensive Income and Statement of Financial Position.

### *1.11 Operating lease*

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

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

### *1.12 Taxation*

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

### *1.13 Financial Instruments*

Sports Council has adopted IAS 39. There has been no impact on the net assets of the organisation as a result of this. Note 9 provides appropriate disclosures regarding Financial Instruments on the Lottery Fund Accounts.

## **Investments**

Investments are held by DCMS on behalf of Sports Council and are available for sale. These are reflected at market value which equate to fair value.

## Loans and receivables

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

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

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

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

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

- Payables are not interest bearing and are stated at their nominal value, which equates to their fair value.
- Grant commitments are stated as per the value of the award made to the applicant, this equates to fair value.

### 1.14 Employee benefits

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

### 1.15 Estimation Techniques Used and Key Judgements

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

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

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

### 1.16 Going concern

These accounts have been prepared on a going concern basis. The National Lottery Distribution Fund currently holds £12.791 million on behalf of Sports Council and current projections identify additional income per annum of approximately £9 million.

## 2 Segmental reporting

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

**3 Staff numbers and related costs**

	<b>2012-13</b>	2011-12
	<b>£</b>	£
Salaries and wages	<b>251,489</b>	221,911
Social security costs	<b>17,596</b>	17,833
Other pension costs	<b>47,350</b>	39,653
Temporary staff	<b>6,432</b>	–
<b>Total staff costs</b>	<b>322,867</b>	279,397

The average number of full-time equivalent persons employed by the Sports Council and deployed on Lottery duties during the period from April 2012 to March 2013 was 8 (2011-12: 8). All staff costs and full time equivalent persons are classified as other staff. There are no ministerial/special adviser costs or permanently employed staff of the Lottery Account.

Under terms and conditions of service, staff are entitled to an issue of luncheon vouchers to the approximate value of 70p per day. The entitlement for full time staff is 55 vouchers per quarter issued quarterly in advance. Part time staff are entitled to luncheon vouchers on a pro rata basis to the full time equivalent. Luncheon vouchers are accounted for through the Exchequer Accounts and no costs recharged to Lottery.

*Pension Scheme*

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

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

Details of the pension scheme are available within the Sports Council Exchequer Accounts.

There have been no payments for civil service and other compensation schemes.

## 4 Expenditure

### 4a Other Expenditure

	Total 2012-13 £	Direct 2012-13 £	Recharge 2012-13 £	Total 2011-12 £
<b>Operating costs</b>				
Travel and subsistence	3,568	–	3,568	6,751
Publication, printing, stationery and IT	851	851	–	–
Professional fees	6,766	6,766	–	49
External audit fee	27,000	27,000	–	27,000
Permanent diminution	–	–	–	(1,721)
Bank charges	–	–	–	(5)
Publicity	77,768	25,393	52,375	101,499
Research and evaluation	12,468	12,468	–	12,361
Courses and conferences	19,478	19,478	–	14,965
Awards for all admin costs	–	–	–	(2,622)
SCNI overhead charge	204,586	–	204,586	192,672
<b>Total operating costs</b>	<b>352,485</b>	<b>91,956</b>	<b>260,529</b>	350,949

Of the above total for 2012-13 £260,529 (2011-12: £276,605) was initially incurred by the Sports Council's grant-in-aid account and recharged to the Lottery Distribution Account.

### 4b Grant Commitments

	2012-13 £	2011-12 £
<b>Grant Costs</b>		
New Lottery grants made	9,041,507	6,049,209
Hard de-commitments	(978,680)	(637,348)
Transfer to 2012 Olympics	525,414	1,128,095
<b>Total grant costs</b>	<b>8,588,241</b>	<b>6,539,956</b>

## 5 Income from activities

	2012-13 £	2011-12 £
Proceeds from National Lottery	10,065,904	7,844,544
Investment Income	53,854	56,460
<b>Total</b>	<b>10,119,758</b>	<b>7,901,004</b>

## 6 Other income

	2012-13 £	2011-12 £
Recovery of grant	27,910	61,364
<b>Total</b>	<b>27,910</b>	<b>61,364</b>

**7a Property, Plant and Equipment**

	Information Technology £
<b>Cost or valuation</b>	
At 1 April 2012	68,255
Additions	–
Revaluation	5,296
Disposals	(1,467)
At 31 March 2013	<u>72,084</u>
<b>Depreciation</b>	
At 1 April 2012	49,306
Charge for the Year	6,716
Revaluation	2,701
Disposals	(1,467)
At 31 March 2013	<u>57,256</u>
<b>Carrying amount at</b>	
At 31 March 2013	<u>14,828</u>
At 31 March 2012	<u>18,949</u>
Asset financing:	
Owned	14,828
<b>Carrying amount at 31 March 2013</b>	<b><u>14,828</u></b>
	Information Technology £
<b>Cost or valuation</b>	
At 1 April 2011	66,176
Additions	–
Revaluation	2,079
Disposals	–
At 31 March 2012	<u>68,255</u>
<b>Depreciation</b>	
At 1 April 2011	42,806
Charge for the Year	5,907
Revaluation	593
Disposals	–
At 31 March 2012	<u>49,306</u>
<b>Carrying amount at</b>	
At 31 March 2012	<u>18,949</u>
At 31 March 2011	<u>23,370</u>
Asset financing:	
Owned	18,949
<b>Carrying amount at 31 March 2012</b>	<b><u>18,949</u></b>

**7b Intangible assets**

	Information Technology £
<b>Cost</b>	
At 1 April 2012	60,810
Additions	–
Revaluation	3,112
Disposals	–
At 31 March 2013	<u>63,922</u>
<b>Amortisation</b>	
At 1 April 2012	51,171
Charge for the Year	4,370
Revaluation	1,790
Disposals	
At 31 March 2013	<u>57,331</u>
<b>Carrying amount at</b>	
At 31 March 2013	<u>6,591</u>
At 31 March 2012	<u>9,639</u>
Asset financing:	
Owned	<u>6,591</u>
<b>Carrying amount at 31 March 2013</b>	<b><u>6,591</u></b>
	Information Technology £
<b>Cost</b>	
At 1 April 2011	60,785
Additions	–
Revaluation	25
At 31 March 2012	<u>60,810</u>
<b>Amortisation</b>	
At 1 April 2011	47,317
Charge for the Year	3,843
Revaluation	11
At 31 March 2012	<u>51,171</u>
<b>Carrying Amount at</b>	
At 31 March 2012	<u>9,639</u>
At 31 March 2011	<u>13,468</u>
Asset financing:	
Owned	<u>9,639</u>
<b>Carrying amount at 31 March 2012</b>	<b><u>9,639</u></b>

## 8 Financial assets

### 8a Balances Held in NLDF

	2012-13 £	2011-12 £
Proceeds from Lottery	<b>10,065,904</b>	7,844,544
Investment Income	<b>53,854</b>	56,460
Realised Gain	-	-
Drawn Down in Year	<b>(6,074,442)</b>	(7,437,790)
<b>Decrease in Funds</b>	<b>4,045,316</b>	463,214
Olympic Transfer	<b>(525,414)</b>	(1,128,095)
Unrealised Gain/(Loss) on Investment	-	88,027
Balance at 1 April	<b>9,271,027</b>	9,847,881
<b>Balance at 31 March</b>	<b>12,790,929</b>	9,271,027

The funds held in the NLDF are invested on its behalf by the National Investment and Loans Office. The above balances are based on the distribution of National Lottery funds set out in the National Lottery Act as amended. Interest earned on the sums invested is apportioned to each of the 12 Lottery Distributors on the basis of their percentage of the total remaining NLDF Funds at the time the interest is received. The market value of investments held by the NLDF on behalf of the Sports Council's Lottery Distribution Account at 31 March 2013 was £12,790,929 (2011-12: £9,271,027).

### 8b NLDF Balance Policy

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

The following is the policy as approved by the Sports Council:

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

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

- by 31 March 2013 to achieve a NLDF balance of £12.855 million;
- by 31 March 2014 to achieve a NLDF balance of £11.832 million;
- by 31 March 2015 to achieve a NLDF balance of £9.056 million;
- by 31 March 2016 to achieve a NLDF balance of £4.483 million;
- by 31 March 2017 to achieve a NLDF balance of £0.913 million; and
- by 31 March 2018 to achieve a NLDF balance of £0.325 million.

At 31 March 2013 the Sport Council NLDF balance was £12.791million. The target for year was achieved.

## 9 Financial instruments:

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

### *Liquidity Risks*

In 2012-13 £10.066 million (99.2 per cent) of the Sports Council's Lottery Fund's income was derived from the National Lottery. The remaining income is derived from investment returns from the balance held with the NLDF £0.054 million (0.5 per cent) and from Sundry Income £0.028 million (0.3 per cent). The Sports Council consider that the Fund is not exposed to significant liquidity risks; and it is satisfied that sufficient liquid resources are held within the NLDF Investment and in the bank of £13.051 million to cover all current contracted commitments of £7.602 million.

### *Interest Rate Risks*

The financial assets of the Fund are invested in the NLDF, which invests in a narrow band of low risk assets such as government bonds and cash. The Sports Council has no control over the investment of Funds in the NLDF. At the 31 March 2013 the Market Value of investment in the NLDF was £12.791 million. In the year the average return on these investments was 0.78 per cent. Cash balances which are drawn down from the Fund to pay grant commitments and operating costs were held in a non-interest bearing current account, as it is part of the northern Ireland government pooling agreement. The cash balance at the year-end was £0.260 million. The Sports Council consider that the Fund is not exposed to significant interest rate risks.

### *Foreign Currency Risk*

The Fund is not exposed to any foreign exchange risks.

### *Commodity Risk*

The Fund is not exposed to any commodity risks.

### *Credit Risk*

The Fund is not exposed to any credit risk.

## 10a Trade and other receivables

	2012-13 £	2011-12 £
Grant Clawback	<b>13,955</b>	–
	<b>13,955</b>	–

## 10b Intra-government receivable balances

	2012-13 £	2011-12 £
Balances with central government		
Balances with local authorities	–	–
Balances with other government organisations	–	–
Balances with bodies external to government	<b>13,955</b>	–
	<b>13,955</b>	–

**11 Cash and cash equivalents**

	<b>2012-13</b>	2011-12
	£	£
Balance at 1 April	<b>326,802</b>	527,522
Net change in cash and cash equivalent balance	<b>(66,564)</b>	(200,720)
Balance at 31 March	<b><u>260,238</u></b>	<u>326,802</u>

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

Commercial banks	<b><u>260,238</u></b>	<u>326,802</u>
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**12 Current liabilities**

<i>12a Analysis by Type</i>	<b>2012-13</b>	2011-12
	£	£
<b>Trade and other payables</b>		
Corporation Tax Payable	-	-
Trade Payables	<b>37,722</b>	53,520
Amount Owed to SCNI	<b>141,792</b>	178,876
<b>Total Trade and Other Payables</b>	<b><u>179,514</u></b>	<u>232,396</u>
Grant Commitments	<b><u>7,337,764</u></b>	<u>4,469,202</u>
<b>Total current liabilities</b>	<b><u>7,517,278</u></b>	<u>4,701,598</u>

	<b>2012-13</b>	2011-12
	£	£
<i>12b Intra-Government Payable Balances</i>		
Balances with central government	-	-
Balances with local authorities	<b>4,061,596</b>	3,811,256
Balances with other government organisations	<b>2,597,208</b>	379,008
Balances with bodies external to government	<b>858,474</b>	511,334
	<b><u>7,517,278</u></b>	<u>4,701,598</u>

	2012-13 £	2011-12 £
<b>13a Analysis by Type</b>		
Grant Commitments	<b>264,538</b>	497,000
	<b>264,538</b>	497,000

	2012-13 £	2011-12 £
<b>13b Intra-Government Payable Greater Than One Year Balances</b>		
Balances with local authorities	<b>39,583</b>	50,000
Balances with other government organisations	–	23,250
Balances with bodies external to government	<b>224,955</b>	423,750
	<b>264,538</b>	497,000

## 14 Grant Commitments

### 14a Hard Commitments

	2012-13 £	2011-12 £
Hard Commitments Brought Forward	<b>4,966,202</b>	6,504,610
Hard Commitments Met in the Year	<b>(5,426,727)</b>	(6,950,269)
Hard De-Commitments	<b>(978,680)</b>	(637,348)
Hard Commitments Made	<b>9,041,507</b>	6,049,209
<b>Balance of Hard Commitments Outstanding Carried Forward</b>	<b>7,602,302</b>	4,966,202

	2012-13 £	2011-12 £
<b>Profile of Hard Commitments</b>		
Payable in 2012-13	–	4,469,202
Payable in 2013-14	<b>7,337,764</b>	286,000
Payable in 2014-15	<b>187,454</b>	163,000
Payable in 2015-16	<b>65,084</b>	48,000
Payable in 2016-17	<b>12,000</b>	–
	<b>7,602,302</b>	4,966,202

There are no commitments expected to be payable after 2016-17.

	2012-13 £	2011-12 £
<b>Disclosure of Hard Commitments</b>		
Due Less Than One Year	12 <b>7,337,764</b>	4,469,202
Due Greater Than One Year	13 <b>264,538</b>	497,000
<b>Total Hard Commitments</b>	<b>7,602,302</b>	4,966,202

	<b>2012-13</b>	2011-12
	<b>£</b>	£
<b>Soft Commitments</b>		
Soft Commitments Brought Forward	<b>9,717,025</b>	14,650,433
Soft Commitments Transferred to Hard Commitments	<b>(9,041,507)</b>	(6,049,209)
Soft De-Commitments	<b>(13,222)</b>	(5,611)
Soft Commitments Made	<b>684,299</b>	1,121,412
<b>Balance of Soft Commitments Outstanding Carried Forward</b>	<b>1,346,595</b>	9,717,025

The decline in soft commitments made, was a result of prior year commitments made, including funding for future financial years.

#### 14b Analysis of Grant Payments

	<b>2012-13</b>	2011-12
	<b>£</b>	£
Public Sector Bodies	<b>2,142,451</b>	3,485,595
Private Sector Bodies	<b>3,284,276</b>	3,464,674
<b>Total Grant Payments</b>	<b>5,426,727</b>	6,950,269

#### 15 Analysis of the Revaluation Reserves

	NLDF Investment	Non Current Assets	Total Revaluation Reserve
Note	£	£	£
Balance at 31 March 2012	113,512	3,452	116,964
Net Gain on revaluation of Non-Current Assets	7	3,917	3,917
Realised Element	-	(2,461)	(2,461)
<b>Balance at 31 March 2013</b>	<b>113,512</b>	<b>4,908</b>	<b>118,420</b>

#### 16 Commitments Under Leases

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

	<b>2012-13</b>	2011-12
	<b>£</b>	£
Total Rent Recharge	<b>10,800</b>	10,800

#### 17 Other Commitments

There were no capital or other commitments as at 31 March 2013.

## 18 Contingent Liabilities

### Payment Terms

A member of staff requested a review of their payment terms. At this time, it's not possible to predict the potential financial impact on Sports Council, as the outturn will be determined by the approval of a business case and the 2012-13 pay remit by DCAL.

## 19 Related Party Transactions

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

<b>Council Member</b>	<b>Grantee</b>	<b>Commitments to Grantee £</b>	<b>Relationship of Council Member to Grantee</b>
Murray Cowan	British Orienteering	156,800	Subscribing Member
Paul Cummings	Mark Nesbitt	6,447	Former Performance Manager
	Northern Ireland Archery Society	100,000	Former Performance Manager
Brian Delaney	Athletics Northern Ireland	574,224	Volunteer Marshall – Current
	Irish Football Association	940,000	Member of Appeals Panel – Current
Barry MaCaulay	Disability Sport Northern Ireland	180,000	Vice-Chairman – Current
	Disability Sport Northern Ireland	2,030	Vice-Chairman – Current
Roisin Mallon	Athletics Northern Ireland	574,224	Person Connected – Subscribing Member – Current
	Mountaineering Ireland	176,000	Subscribing Member – Current
	Netball Northern Ireland	537,160	Person Connected – Subscribing Member – Current
	Ulster Council GAA	858,000	Family Membership
Shane McCullough	Irish Football Association	940,000	Honorary Officer – Current
Danny O'Connor	Basketball Northern Ireland	132,000	Subscribing Member – Current
Dominic Walsh	UB Irish Rugby Football Union	907,800	Non-Executive Director – Former

<b>Staff Member</b>	<b>Grantee</b>	<b>Commitments to Grantee £</b>	<b>Relationship of Staff Member to Grantee</b>
Ali Campbell	Athletics Northern Ireland	574,224	Subscribing Member (Coach) – Current
	Ulster Hockey Union	835,440	Person Connected – Subscribing Member – Current
Leslie Dewart	Ulster Branch Badminton Union of Ireland	385,600	Subscribing Member – Current
	Ulster Branch Badminton Union of Ireland	4,900	Former Coach
Trevor Fisher	Canoe Association of Northern Ireland	494,468	Subscribing Member – Current
	Royal Yachting Association	480,768	Subscribing Member – Current
Robin Gregg	Royal Yachting Association	15,000	Subscribing Member – Current
	Canoe Association of Northern Ireland	494,468	Subscribing Member – Current
Oisin Hallissey	Canoe Association of Northern Ireland	494,468	Subscribing Member – Current
	Mountaineering Ireland	176,000	Subscribing Member – Current
Nick Harkness	Canoe Association of Northern Ireland	494,468	Subscribing Member – Former
	Golfing Union of Ireland	348,000	Person Connected – Subscribing Member – Current
Liam Hinphey	Ulster Council GAA	858,000	Person Connected – Salaried Employee – Current
Noleen Lennon	Basketball Northern Ireland	132,000	Subscribing Member – Current
	Netball Northern Ireland	537,160	Subscribing Member – Current
Diarmaid McAuley	Netball Northern Ireland	537,160	Person Connected – Salaried Employee – Current
Mike McClure	Canoe Association of Northern Ireland	494,468	Subscribing Member – Current
Jill Poots	Athletics Northern Ireland	574,224	Person Connected – Member of Schools Athletics Club
	Golfing Union of Ireland UB	348,000	Person Connected – Subscribing Member – Current
	Royal Yachting Association	15,000	Person Connected – Subscribing Member – Current
	Royal Yachting Association	480,768	Person Connected – Subscribing Member – Current
	Ulster Hockey Union	835,440	Persons Connected – Involved in schools and clubs, represented Ulster and Ireland in 2012
James Rowlinson	Northern Ireland Judo Federation	232,000	Subscribing Member – Current
	Northern Ireland Wrestling Association	126,000	Subscribing Member – Current
David Smyth	Ulster Hockey Union	835,440	Coach – Current
Laura Strong	Ulster Branch Irish Table Tennis Association	230,000	Person Connected – Subscribing Member – Current
Simon Toole	Ulster Hockey Union	835,440	Subscribing Member (Coach) – Current
Mark Watters	Golfing Union of Ireland	348,000	Subscribing Member – Current

**Other related parties include:**

The Sports Council for Northern Ireland is funded by the Department of Culture Arts and Leisure. The Department is regarded as a related party.

The Sports Council for Northern Ireland owns 50 per cent of the Sports Institute Northern Ireland via a joint venture with the University of Ulster. The Sports Institute Northern Ireland and University of Ulster are both regarded as related parties. Sports Council for Northern Ireland Council Members who currently reside as Directors on the Board of Sports Institute Northern Ireland are as follows:

- Danny O'Connor;
- Shane McCullough;
- Gerard Campbell – appointed 1 July 2012; and
- Patrick Turnbull – resigned 14 June 2012.

Sports Council for Northern Ireland employs the following staff who hold positions at the Sports Institute Northern Ireland:

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

In addition a number of staff within Sports Council carry out functions on behalf of the Sports Institute. These include:

- Leigh Brown (Internal Auditor);
- Turlough Gorman (Human Resources Manager);
- Robin Gregg (Talent Systems Manager);
- Andrea McKittrick (Business Systems Co-Ordinator); and
- Nicola McClean (Human Resources Assistant).

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

The Lottery Account operations of the Sports Council for Northern Ireland are funded from the National Lottery Fund through the Department of Culture, Media and Sport. The Department is regarded as a related party.

In addition, Lottery grants were paid during the year to a number of organisations in which Council Members declared an interest. Having declared an interest Council Members are required to leave the meeting while the relevant application is discussed and a decision made.

## **20 Losses and special payments**

There were no losses or special payments during the year which required disclosure in the accounts (2011-12: NIL).

## **21 Events after the reporting period**

There have been no significant events between the year end and the date of approval of these accounts which would require a change to or disclosure in the accounts.

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

## Appendix A

# Lottery Policy Directions Sports Council for Northern Ireland

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

- 1 In these Directions any reference to a section is a reference to a section of the National Lottery etc Act 1993.
- 2 In determining the persons to whom, the purposes for which and the conditions subject to which it distributes any money under section 25(1), Sport Northern Ireland shall take into account the following matters:-
  - a Its assessment of the needs of sport and its priorities for addressing them (having regard to government strategies/policies in force).
  - b The need to inspire children and young people, awakening their interest and involvement in sport.
  - c The need to foster local community initiatives which bring people together, enrich the public realm and strengthen community spirit.
  - d The need to support volunteering and encourage volunteering in sport.
  - e The need to encourage new talent, innovation, and excellence and help people to develop new skills.
  - f The need to involve the public and local communities in making policies and setting policies and setting priorities.
  - g The need to ensure that money is distributed for projects which promote public good rather than private gain.
  - h The need to further the objective of sustainable development.
  - i The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
  - j The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this reasonable to achieve for different kinds of applicants.
  - k The desirability of:
    - increasing access and participation for all;
    - ensuring that all areas have access to funding; and
    - reducing economic and social deprivation.
  - l The desirability of working jointly with other organization, including other distributors.

m The need:

- to set time limits for which grants are payable;
- to ensure that Sport Northern Ireland has the necessary information and expert advice to make decisions on each application; and
- for applicants to demonstrate the financial viability of projects.

n Where capital funding is sought, the need:

- for a clear business plan showing how any running and maintenance costs will be met for a reasonable period; and
  - to ensure that appraisal and management for major projects match the Office of Government Commerce's Gateway Review standards.
- o The need to ensure that its powers to solicit applications under section 25 (2A) are used in connection with the pursuit of strategic objectives.

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

*Paul Sweeney*  
Permanent Secretary

16 April 2008

For further information about the National Audit Office please contact:

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