

COUNCIL FOR THE CURRICULUM, EXAMINATIONS AND ASSESSMENT

2010/11
ANNUAL
REPORT &
ACCOUNTS

Northern Ireland Council for the Curriculum,
Examinations and Assessment

Annual Report and Accounts
For the Year Ended 31 March 2011

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

on

1st July 2011

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About Us

Our History

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

CCEA is a non-departmental public body (NDPB) that reports to the Department of Education (DE).

Our Mission

We place learners and those who have a concern for their educational and personal development at the forefront of our thinking. Our mission is, *“To enable the full potential of all learners to be achieved and recognised.”*

Our Role

Advising Government – on what should be taught in Northern Ireland’s nurseries, schools and colleges.

Monitoring Standards – to ensure that the qualifications and examinations offered by awarding bodies in Northern Ireland are of an appropriate quality and standard.

Awarding Qualifications – as Northern Ireland’s leading awarding body. We offer a diverse range of qualifications, such as GCSEs, GCE A and AS levels, Entry Level qualifications, Online Language Assessment (OLA) and a range of vocational qualifications including Key Skills, Essential Skills, and Occupational Studies.

Supporting Schools – by informing them about curriculum, examination and assessment issues, providing them with teaching and learning materials, and developing educational technology and producing multimedia resources for classroom use.

Our Values

Integrity – we ensure staff are open and honest, tell the truth, play by the rules and do not knowingly do anything wrong.

Quality and Excellence – we work to deliver the very best products and services to customers, partners and stakeholders and seek ways to continually improve.

Social Responsibility – we seek to maximise our investment in staff and the contribution we make to the community.

Leadership – we seek to demonstrate exemplary leadership that includes leading the community debate on educational policy and promoting, through example, the seven principles of public life as set out by the Nolan Committee.

People – we treat all of our people with respect. We recruit, reward and promote staff on the basis of merit, provide good working conditions and help our staff to achieve a work/life balance.

Customers, Partners and Stakeholders – we meet our customers’ needs and expectations, keep our promises, secure full customer trust and put things right when they go wrong.

.....
We work to deliver the
very best products and
services
.....

Our Council

Membership as at 31 March 2011

Members of our Council are appointed by the Department of Education (DE). The Council includes representatives from education, industry and commerce. It is responsible for the governance of CCEA.



Mrs Helen McClenaghan OBE
(Vice Chairperson)

Former Chief Executive of the Southern Education and Library Board



Mr James Collins
(Chair – Finance Committee)

Former General Manager with Ford Motor Company



Mrs Patricia O'Farrell
(Chair – Audit & Risk Committee)

Member of the Irish National Teachers' Organisation (INTO)



Mr David Thompson

Former Principal of Regent House School, Newtownards



Ms Michele Crilly

Teaching Fellow, School of Education, Queen's University, Belfast



Mr John Wilkinson

Principal of Dromore High School



Mr Jim Clarke

Acting Chief Executive of the Council for Catholic Maintained Schools



Mrs Dorothy Black

Lecturer, Initial Teacher Education at University of Ulster, Coleraine

Tribute to David McKee, CCEA Chairperson March 2007 – January 2011



On behalf of the Council members and the staff at CCEA, I would like to pay tribute to our Chairman, David McKee, who sadly passed away on 13 January 2011.

David committed most of his life to serving education in Northern Ireland, and in his passing we have lost a truly valued member of the education community.

Having taught in schools in Belfast and Omagh before spending 14 years as principal of the Duke of Westminster High School in County Fermanagh, David's contribution to shaping the futures of

our young people has been far reaching. He has touched the lives of many.

We are indebted to him not only for years of service to generations of pupils and teachers across the education system but also for his dedicated work on behalf of the wider community in Omagh, where he lived and worked for many years.

David became a member of CCEA's Council in 2003 and was appointed Chair in 2007, a role in which he demonstrated great commitment and an unwavering enthusiasm for the work he cared passionately about.

We offer our sincerest sympathies to David's wife Lynda and their children: Maura, Michael, Rory and Conor. David is sadly missed among colleagues and friends here at CCEA.

Helen McClenaghan OBE
Vice Chairperson, on behalf of CCEA Council and staff

"Our death is not an end if we can live on in our children and the younger generation." Albert Einstein

Vice Chairperson's Reflection



2010/11 has been a challenging but rewarding year for CCEA as the education sector in Northern Ireland continues to face many uncertainties.

January 2010 should have seen the beginning of a new era with the creation of the Education and Skills Authority: a single body that would streamline education administration, incorporating CCEA, the five Education and Library Boards, Staff Commission, Youth Council and CCMS. In the absence of the required political agreement the current structures remain.

As an organisation, we have faced many challenges including continued restrictions on recruitment imposed by vacancy control and the implementation of the Department of Education's voluntary severance programme, which saw 15 CCEA staff volunteer to leave the organisation as part of DE's cost cutting exercise.

The departure of the Acting Chief Executive Neil Anderson and sadly the untimely death of our Chairperson placed additional demands on the management team, and Gavin Boyd returned as Interim Chief Executive in June 2010.

Throughout the past 12 months, the Council members and staff at CCEA have demonstrated the resilience, professionalism and adaptability I have come to expect from them. They have remained focused on delivering excellence in all areas of our work. Our achievements are documented in the 'Key Themes' section of this report.

The current education budget has brought into sharp focus the need for efficiency and effectiveness in our working. CCEA continues to place quality and excellence at its core, making use of modern techniques, systems and technologies to keep costs low and achieve value for money at a time of serious financial constraint.

I have no doubt that the themes of change and transition in education will continue in the year ahead and as an organisation we look forward to playing our role. CCEA remains firmly supportive of the reform of education administration and is ready to contribute to a modern and dynamic education system for Northern Ireland. Rewarding learning is our primary focus.

We will continue to adapt to the changing environment as well as the needs of our learners, the economy and society as a whole. We are committed to fulfilling the promise of our mission statement, "To enable the full potential of all learners to be achieved and recognised".

Helen McClenaghan OBE
Vice Chairperson

Chief Executive's Foreword



When the Acting Chief Executive took up a new position in June 2010, the Department of Education and CCEA Council asked me to return to CCEA on an interim basis as the organisation approached the summer examinations season. As former CEO, I have first hand knowledge and experience of the inner workings of CCEA business.

Over the years CCEA has frequently been recognised at the highest levels for quality. I am pleased to report that on my return I found that our commitment to excellence has not faltered. We continue to deliver against external quality standards which help us evaluate our processes, IT systems and security, customer service and health and safety to name a few. The use of these models has helped us maintain our focus on continuous improvement during the recent period of uncertainty.

After a challenging year we have succeeded in delivering high quality services to learners, teachers and other stakeholders. However, it has not been without its difficulties. I recognise the impact on those students affected by our failure to deliver correct A2 Chemistry results during the summer examinations series. On this occasion, CCEA fell far short of its promise. However, our tried and tested processes and the direct action of dedicated staff ensured a speedy resolution. The internal and external investigations that followed were thorough and a range of measures have been put in place to prevent such issues from occurring in the future.

This failure should not detract from the overall performance of the organisation. Examination papers were written, marks were awarded and results delivered for around 80,000 students. InCAS assessments were administered for over 98,000 primary school pupils.

The innovative use of technology is evident with the roll out of the online examinations results service, onscreen marking, use of social media in our communications and 24 hour access to information and support through our websites and microsites, which are becoming increasingly popular.

We have delivered an extensive range of creative resources for primary and post primary schools, for special educational needs and for education through the medium of Irish. We continue to provide quality professional development opportunities for teachers at all levels. One of our resources is currently being used by CERN, the world renowned scientific research organisation based in Switzerland.

We look forward to the year ahead with positivity and with a clear focus. We will continue to deliver for our customers to the standard they have come to expect from us.

We hope that this year will bring a conclusion to the uncertainty around education administration and that the education sector can move forward together.

Gavin Boyd
Interim Chief Executive

2010/11 Highlights

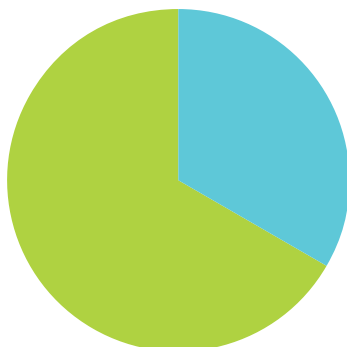
Our Business Model

Enriching lives, rewarding learning.



Funding

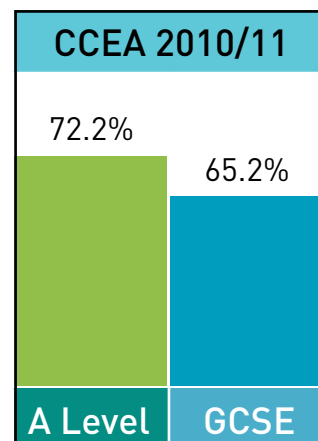
Approximately 1/3 of the money used to run CCEA in 2010/11 was income generated from qualifications entries.



- DE Funding 20.2m
- Earned Income 9.6m and other funding

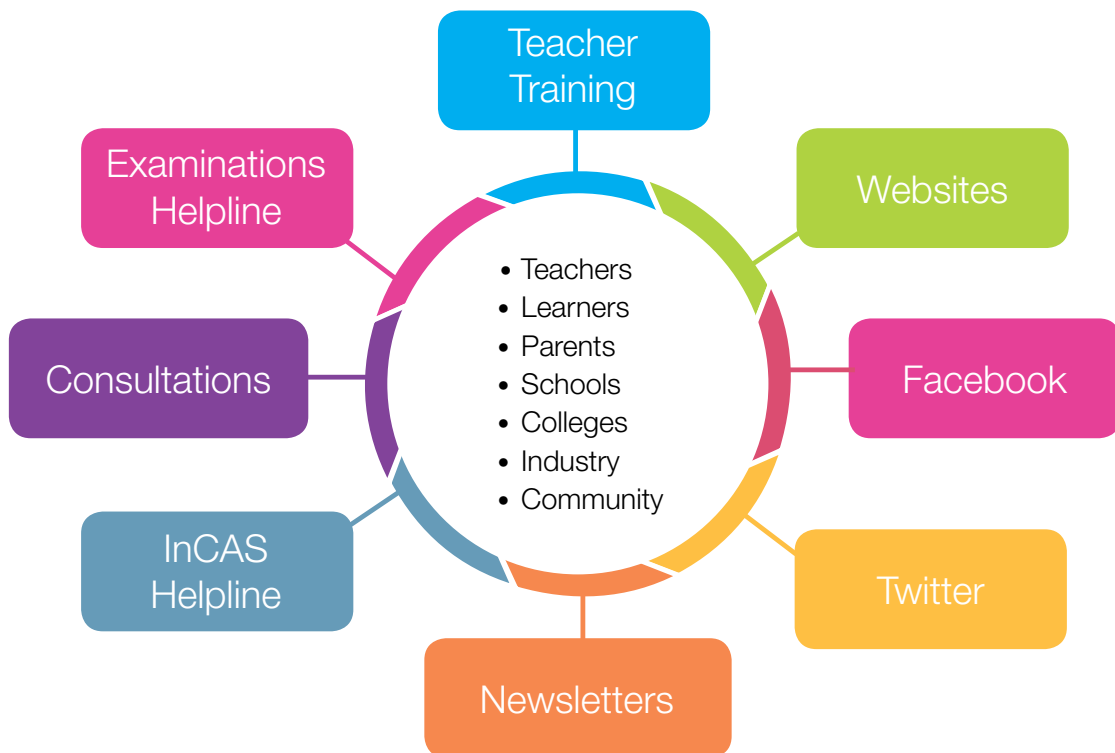
Market Share

CCEA qualifications are the preferred option in Northern Ireland: tailored to local needs with expert advice and support close at hand.



Stakeholder Engagement

Making connections with customers, partners and stakeholders.



98,000 primary pupils completed InCAS assessments.



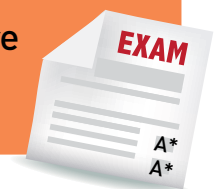
80,000 students completed CCEA qualifications.



700,000 examination papers were marked and graded.



200,000 grades were issued to students.



Key Themes in 2010/11

CCEA places learners and those who have a concern for their educational and personal development at the forefront of its thinking. Our mission is, *“To enable the full potential of all learners to be achieved and recognised”*. This summary of our main achievements reflects our commitment to our ultimate goal.

Qualifications tailored to the needs of learners

New qualifications

As schools and colleges prepare to meet the demands of the Entitlement Framework, CCEA has been working to provide maximum choice from a wide range of qualifications designed to meet the changing needs of the economy, society and the environment.

This year we completed the development of six new general and four new vocational qualifications in subjects including Business and Communication Systems and Moving Image Arts.

Throughout the development stages we consulted widely with industry and education communities in Northern Ireland to ensure our provision matched their specific requirements.

CCEA qualifications have remained the preferred choice locally with a market share of 72.2% for A Level and 65.2% for GCSE.

Revision of specifications

Qualification specifications are revised at regular stages to ensure that the content and assessment remain relevant and motivating for learners and continues to reflect their needs as they prepare for further study or the world of work. With the revision process complete for all GCSE specifications, the first awards will take place this summer.

Many of our GCSEs have been restructured into a number of units. This allows flexibility when completing examinations as learners can now be examined on parts of the qualification throughout the two year period instead of sitting one examination at the end of two years.

The revision of five science specifications was completed this year and the new qualifications will be introduced in the new school term.

business and
communication
systems

moving
image
arts



Qualifications and Credit Framework (QCF)

We have participated fully with colleagues in England and Wales to develop the Qualifications and Credit Framework. This is a new way of recognising achievement through awarding credit for parts of qualifications.

This progressive new scheme allows learners flexibility as they gain credit for a range of skills and knowledge from a variety of accredited courses. We have developed QCF qualifications in a range of subjects such as Performance Skills and Personal Money Management.

The examinations process

CCEA subject officers and examiners created over 500 examination papers across a range of subjects. Following the summer 2010 examinations period we marked approximately 700,000 scripts and issued approximately 200,000 awards to students across Northern Ireland and beyond.

The new A* grade at A Level was also successfully awarded for the first time in 2010.

Curriculum and assessment: building for the future

New assessment arrangements

The Department of Education has defined the broad principles of new assessment arrangements based on advice provided by CCEA. We have been working with schools, principals and the Education and Library

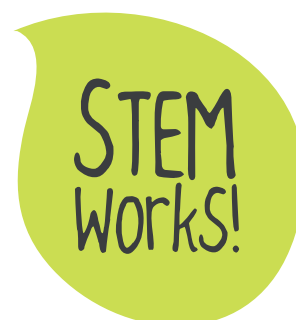
Boards throughout the year to ensure that they are prepared for the implementation of the new arrangements and are closely supported throughout the transition period and beyond. This work will continue in the year ahead.

STEM (Science, Technology, Engineering and Mathematics)

A recent Education and Skills survey conducted by the Confederation of British Industry (CBI) found that a shortage of skills in Science, Technology, Engineering and Maths may slow economic growth in the UK.

A STEM review was commissioned by the Department of Education and Department of Employment and Learning, and the STEM strategy for Northern Ireland was created. CCEA has contributed to achieving the objectives of this strategy to ensure the future success of STEM education in this region.

In addition to our range of innovative STEM qualifications, we have developed many support materials. Our STEM Works website has been very successful as a resource for teachers and pupils and has proven very popular. We have produced helpful case studies, activities and contacts for schools to empower them to embrace the STEM agenda.



Key themes in 2010/11

Assessment

Each year CCEA is responsible for the delivery of statutory assessments at both primary and post primary levels.

Around 98,000 pupils in years 4 to 7 completed the Interactive Computerised Assessment System (InCAS) assessments in Reading and General Maths. These assessments are taken at the beginning of the school year and allow the teacher to adapt teaching and learning to the individual needs of the pupils.

Approximately 45,000 pupils completed end of Key Stage Assessments in English and Mathematics at Key Stages 1 and 2 and around 23,600 pupils completed end of Key Stage 3 Assessments in English and Mathematics (with around 9,000 also completing optional Science assessments).

678 schools participated in CCEA's ICT Accreditation Scheme. This is a voluntary scheme which provides schools with a framework to develop, enhance and assess pupils' ICT ability, enabling them to award a certificate for ICT competence.

Delivering the best through professional development

We believe that to get the best outcome for learners we must invest in the professional development of teachers. One of our key objectives this year was to provide top class support and guidance to teachers delivering the Northern Ireland Curriculum and our qualifications. 60 education professionals have completed our "train the trainer" courses this year, empowering them to train teachers and

other colleagues in assessment arrangements. Over 1,000 teachers and principals took part in face to face training over the last 12 months. We also delivered online training to support curriculum and assessment in primary schools. 400 new teachers have been trained in the use of InCAS assessments this year, with top up training also available online.

Our *Quest* materials, to support the assessment of children with special educational needs, have been well received locally and internationally as far away as New Zealand. We have continued to develop guidance for education through the medium of Irish, producing an additional 125 resources this year in consultation with the Irish-medium community. Other resources have been produced in support of curriculum and assessment including core areas such as literacy, numeracy and Learning for Life and Work.

The number of visitors to CCEA's 53 qualifications microsites has been steadily increasing. We continue to review and update these resources. Innovations like our Topic Tracker allows teachers and students to create their own examinations papers online for a range of subjects for practice purposes.





Rewarding learning

We hosted a number of events in recognition of the success of our top performing students. This year over 50 GCSE and over 70 GCE students gathered in the company of proud teachers, friends and relatives to receive a special award from CCEA to mark their outstanding achievements at our Celebrating Excellence Awards.

77 of Northern Ireland's most talented young people had their artwork on display for over three weeks in Belfast and over two weeks in Omagh as part of our annual True Colours art exhibition. Some of the best and most inspiring work from CCEA's art examinations was viewed by over 7,000 visitors.

Our Celebrating Achievement ceremony also recognised the successes of over 20 top learners across our portfolio of vocational qualifications.

Listening to our stakeholders: research and consultation

To ensure that our products and services truly meet the needs of stakeholders, we consult regularly and widely. This year we have engaged with stakeholders on many issues including the development of qualifications and resources to support those with special educational needs.

We have formed a number of partnerships with business and industry representatives, including the Northern Ireland Statistics and Research Agency (NISRA), who have helped inform the development of resources using real life scenarios and information.

In developing new qualifications, we consulted with industry representatives such as the Confederation of British Industry (CBI) and Sector Skills Councils to help us map our portfolio of qualifications to specific skills and knowledge. We also consulted with those working with learners with special educational needs to ensure our developments in those areas are based on solid evidence of learners' needs.

We hold regular meetings with organisations including Invest NI, Queen's University, Belfast and University of Ulster to ensure that our qualifications have relevance and currency in both the higher education and business environments.

Making the most of innovative technology

Improving services

CCEA has always been committed to making the most effective use of technology in managing the examinations process.

Following a successful pilot programme in 2009 we rolled out access to online examination results to all A2 students in 2010. Over 10,500 students registered to use this facility and by 1pm on results day over half of the students registered had downloaded results online, some from as far away as Japan. This service will be extended in the coming year.

This year has also seen further developments in onscreen marking, with 50,000 examination scripts marked by subject experts using new technology. This reduces our costs and our carbon footprint whilst increasing efficiency and retaining the accuracy of the marking.



Websites

CCEA has created and managed a range of websites and microsites in support of the products and services we provide. This year saw a significant increase in the number of visits to CCEA's general website and to the Northern Ireland Curriculum website.

We continued to maintain and develop our subject microsites, adding many new and interactive features including videos, vodcasts and podcasts.

Social media

Engaging with our stakeholders is something that we value at CCEA. This year we introduced the use of a number of social media applications to facilitate meaningful engagement with those we serve as part of an integrated communications strategy.

We are continually looking for new and better ways to share information and build relationships with our stakeholders.

We have 455 'followers' on Twitter and 122 'fans' on Facebook. Our adoption of social media, whilst successful, is in its infancy and we have plans to build our competence in this area in the year ahead.

Online training and support

Considerable effort has been made to provide as many of our educational resources and training programmes online as possible. This not only reduces the cost of support but also provides flexibility for teachers and learners.

Hundreds of teachers have received online training in curriculum and assessment this year which would previously have been conducted on a face to face basis. The response to the online training has been very positive.

Commitment to excellence

Quality and excellence underpins all aspects of our work at CCEA. We were the first public sector organisation to be awarded the Customer Excellence Standard which is recognition of our commitment to customer care.

We have maintained our ISO 9001 accreditation which helps us continually review and improve our processes.

The ISO 14001 environmental management system helps us reduce our consumption of non-renewable resources, ensure we adhere to environmental legislation and adopt best practice environmental policies.

Accreditation to the OHSAS 18001 standard is evidence of our commitment to best practice on health and safety.

ICT quality standards

Our commitment to making the best use of technology is underpinned by expert ICT services within CCEA. We have maintained previous accreditation in a number of ICT related standards for security management (ISO 27001), software development for business purposes (Tick IT) and IT service management (ISO 20000).

Continued professional development of ICT staff helps us maintain these standards, improve our services and processes in ICT and deliver to the highest standards.

Our gold standard awarded by FAST (Federation Against Software Theft) also provides assurance of CCEA's compliance with licensing regulations.

Corporate Social Responsibility and Sustainability Report

To achieve our mission, which is “to enable the full potential of all learners to be achieved and recognised”, we feel that we must do more than manage and deliver our core products and services. Stakeholder surveys over the years indicate that there is increasing importance placed on supporting our communities and acting responsibly towards the environment.

Our Corporate Social Responsibility (CSR) strategy, which we assess and refine as part of our annual policy and strategy review, ensures that we operate all our business activities in a socially responsible and environmentally sustainable way. We use a range of data to measure our effectiveness. Our Corporate Values and Code of Ethics policies, which all CCEA employees must uphold, enshrine the principles of our CSR and our commitment to the environment.

Over the past eight years we have continually reviewed and improved our CSR to ensure that our investment in local, charity, and educational communities helps us to achieve our mission and objectives. In return for our investment, we benefit from improved stakeholder relationships, business performance and customer satisfaction across the education field. Our business results confirm that this approach gains CCEA maximum benefit from our CSR endeavour and earns us respect as a corporate citizen.

Deployment of our CSR strategy includes facilitating community and stakeholder events. These include The Giving Tree, staff support for educational projects in developing countries, hosting international best practice and benchmarking visits related to education, our True Colours exhibition and Celebrating Achievement events.

We are also committed to being an open and transparent organisation, and this is demonstrated by the amount of information

available on our website and our adherence to statutory deadlines when responding to requests for information. During the reporting period we undertook a second self-assessment against the requirements of the Data Protection Act and, once feedback has been received, we will implement improvements to ensure the integrity of personal information. We also fully meet the requirements of all equality legislation.

Our Corporate Values and Code of Ethics policies stipulate the ethical behaviour that we expect of our staff. To ensure that our staff are aware of these policies, we present them to all new staff during our cultural induction programme and also make them available on the staff intranet. We’re currently revising our Corporate Values policy to reflect the changing social and economic environment.

We also recognise our responsibility to minimise our footprint on the global environment. We use a range of approaches to recycle materials, reduce waste and reduce our consumption of non-renewable resources. This also demonstrates our commitment to accountability and integrity in how we use public funds. We offer staff opportunities to take part in environmental programmes and have established an Environmental Group – a group of volunteers from across CCEA who act as environmental champions. Our efforts are independently assessed and reviewed across a number of areas, for example as part of our ISO 14001 accreditation process.

We have fully engaged with and deployed this approach since 2001, and we continue to review and improve it. We continually aim to do the right thing in our society by using our position of influence and accessibility in the business environment in which we operate, and the communities in which we serve, to promote social responsibility.

Environmental sustainability

We have been implementing environmental programmes since 2003 through our partnership with Bryson House. Through this scheme, we recycle all card and paper used, plastic bottles, mobile phones, spectacles, toner and printer cartridges, and computers. Following our deployment of the standard ISO 14001 in 2006, an environmental improvement programme was implemented. This programme has evolved over the past few years, and the focus for 2010–2012 continues to be on our paper, mileage and energy usage. Our paper recycling practices have saved over 5300 trees in the past eight years.

In 2010, our two applicable buildings received a B grading in the assessment of energy efficiency required for Display Energy Certificates. (The grading scale is A–G, with A being the most energy efficient). This represents an improvement for our William Ritchie building from a grade C in 2009 and retention of grade B, with an improved points score, for our headquarters.

Equality statement

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

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

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

Looking forward

We look to the future with a clear focus despite the continuing uncertainty in education. We remain committed to continually improving the quality of our products and services for education.

As the Northern Ireland Curriculum is embedded in our schools we will continue to support and encourage education professionals through training and provision of quality resources. Implementation of new assessment arrangements is a key objective along with the continued delivery of InCAS assessments and a fair and accurate system of reporting.

We will continue to develop top class general and vocational qualifications and deliver a robust and fair examinations service with a focus on precision, accuracy and value for money.

In addition to these core activities, we have a number of organisational priorities in the year ahead.

Modernisation and innovation

The effective use of technology in examinations allows greater flexibility, access to information and speed of processing. We will continue to build on the progress that has been made to date by implementing a roadmap which outlines our modernisation plans for the next five years.

Following the summer 2011 examinations series, over 20,000 AS and A2 students will be able to access their examinations results online from anywhere in the world. This is double the number of students who were provided with online access following the summer 2010 examinations series.

We will continue to reduce the assessment burden on schools through further roll out of our electronic candidate record sheets for internal assessment. This means that teachers will have added flexibility and can submit coursework information online rather than producing handwritten records to be collected or delivered.

Onscreen marking will be further developed. In the next few years, our target is to ensure that 75% of scripts are marked onscreen by subject experts.

In curriculum and assessment, the use of modern media has allowed us to provide online InCAS training for every primary school teacher in Northern Ireland. A range of online, interactive resources have also been developed such as our ICT websites, online tools for assessment and task writing applications.

Choice and flexibility

The Entitlement Framework requires that, by 2013, schools must offer access to at least 24 courses, with a minimum number of vocational and general qualifications.

We are committed to ensuring that schools and colleges have access to a wide range of relevant qualifications that are tailored to the needs of their learners. We will continue to develop and expand our portfolio of qualifications to support schools in meeting the requirements of the Entitlement Framework and to equip learners with the skills and knowledge they need for further study or the world of work.

Our locally based subject specialists will continue to be available to provide support and advice in relation to all our qualifications.

New assessment arrangements – preparing schools for the future

The implementation of new assessment arrangements is one of the highest priority policy areas in the year ahead and one of CCEA's most important objectives. Making sure that teachers and other school staff are properly supported and prepared for the introduction of the new assessment arrangements which become statutory from 2012/13 is of the greatest importance.

Over the next 12 months we will provide a combination of online and face to face training for hundreds of teachers to ensure that they are familiar with the new arrangements and are supported and empowered to introduce them in their schools.

In addition we will be working to develop robust moderation and quality assurance techniques to further reinforce the validity of these new arrangements.

We will keep in constant contact with schools during this time and provide timely communications to ensure that teachers and principals are kept informed about new assessment arrangements throughout the year.

We will continue to provide high quality resources, advice and guidance as the new arrangements are introduced.

.....
As the number of visits to our suite of websites continue to increase it is clear that they are valued by our stakeholders.
.....

Communications and customer care

The CCEA annual Customer Satisfaction Survey provides us with some insight into how our stakeholders feel about the work that we do.

We are currently awaiting the results from our first ever online survey so that we can use the information to further develop our services according to the needs of our stakeholders.

Over the next 12 months, we will continue to make use of a range of media to create meaningful engagement with a diverse range of stakeholders. We will increase the use of our bespoke customer contact system to identify customer needs and tailor our communications accordingly.

We plan to build on our use of social media as part of an integrated communications strategy so that we can share information and provide customers with a platform to engage in conversation with us and with each other.

As the number of visits to our suite of websites continues to increase it is clear that they are valued by our stakeholders. We will continue to develop existing websites and further develop our portfolio in support of our work.

A solid base for educational development

The majority of educational projects taken forward over the next 12 months will be grounded in research conducted by our Research and Statistics unit. Consultation with stakeholders and regular evaluation of projects at various stages will ensure that we continue to make improvements based on the needs of teachers and learners.

By reviewing the latest academic research, we will ensure that development work continues to reflect best practice and the most up to date information in the field of education research.

Efficiency and effective financial management

In light of the current budget settlement and the subsequent effect on the education budget, it is clear that the next 12 months and beyond will continue to be challenging for CCEA. We must continue to deliver departmental objectives as the financial environment becomes more challenging each year.

One of our key objectives is to deliver improved services more efficiently whilst ensuring that value for money is achieved across all areas of our work.

We will work to deliver the significant efficiency savings as outlined in the Draft Budget 2011-15: *Department of Education Draft Allocations and*

Savings Proposals. Some of these efficiencies will be realised as a result of the voluntary severance exercise, which has already been carried out, achieving savings of approximately £750,000 per annum.

CCEA will continue to 'invest to save' in areas such as modernisation of systems and processes.

Governance and accountability

In the year ahead, in conjunction with the Department of Education, we will continue to review and enhance our governance and accountability arrangements.

We want our stakeholders to be confident that the organisation has integrity and transparency at its core, that our processes are robust and that we effectively identify and minimise risks.

We wish to provide absolute assurances that we will maintain rigorous decision making processes in relation to the use of public money and will continue to make improvements in financial monitoring and reporting.

We have established a number of internal boards to take forward this work and will continue to report progress to the Department of Education on a regular basis.

As part of the drive to reduce risk we are developing 'readiness reports', to be introduced in advance of the next examinations season. These will enable us to further assess potential risks and implement additional controls as necessary.

Financial Summary

Basis of Accounts

CCEA has prepared the accounts in accordance with the Accounts Direction issued by the Department of Education (DE), with the approval of the Department of Finance and Personnel (DFP) and in accordance with schedule 3 paragraph 13 of the Education (NI) Order 1998.

Summary Results

CCEA's financial results for the year ended 31 March 2011 are summarised as follows:

	2010/11	2009/10
	£000	£000
Income	9,569	9,402
Expenditure	(27,506)	(30,795)
Other Financial Charge	(316)	(477)
Net expenditure	(18,253)	(21,870)

Changes in Fixed Assets

We've prepared the financial statements in accordance with the historical cost convention (as modified by the indexation and revaluation of fixed assets in line with the government's *Financial Reporting Manual 2010/11*).

The total capital expenditure for the year amounted to £86k.

Charitable Donations

CCEA made no charitable donations from its own funds during 2010/11.

Equal Opportunity Policy

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

Auditor

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

The cost of work performed during 2010/11 was as follows:

	£
Audit Services	11,590
Further Assurance Services	2,912
Tax Services	-
Other Services	-
Total	14,502

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

Payment to Creditors

In line with DFP guidance, we aim to pay valid bills within 10 days of receipt. During the reporting period, we met the target 79% of the time. 77% of invoices were verified, approved and paid within this standard for the month of March 2011.

Employee Sickness Absences

Average annual sickness absence for the reporting period was 6.1 days per employee (as of 31 March 2010, the average was 9.6 days).

Pension Accounting Policy

Pension liabilities are treated in the accounts in accordance with Accounting Policies Note 1.11 in the Notes to the Financial Statements Year ended 31 March 2011 section of this report. Details of the emoluments and pension entitlements of senior management appear in the Remuneration Report section of this report.

Going Concern

The Statement of Financial Position at 31 March 2011 shows net liabilities of £5,008k. This includes liabilities due in future years. All liabilities will be met by our own earned income or by future grant-in-aid from DE, our sponsoring department. As far as we know, DE's sponsorship will continue. Consequently, we feel that it is appropriate to adopt a going concern basis for the preparation of the financial statements.

Register of Interests

Council members, members of the key management staff or other related parties have not engaged in any material transactions with us during the year other than those disclosed in the:

- Emoluments and Pension Entitlements of Senior Management table in the Remuneration Report section of this report; and
- Note 20: Related Parties in the Notes to the Financial Statements section of this report.

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

Personal Data Related Incidents

There were no personal data related incidents during the 2010/11 financial year.

Accounting Officer 2010/11

Gavin Boyd, Interim Chief Executive, held Accounting Officer responsibilities for CCEA during the 2010/11 financial year.

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

Remuneration Report

Remuneration Policy

The Remuneration Committee is comprised of the Chairperson of the Council and at least one other non-executive Finance Committee member. The Committee is authorised by the Council to obtain appropriate, independent professional or legal advice as necessary.

The Chief Executive's remuneration is set by the Council's Remuneration Committee within a scale set by the Department of Education (DE). The Committee:

- agrees the Chief Executive's salary for the year ahead;
- reviews the Chief Executive's performance against targets set by the Chairperson at the start of each year; and
- agrees a performance related payment up to a maximum of 15% of his salary.

Please note this is not the case for the Interim Chief Executive, who is an employee of the Department of Education.

The Chief Executive consults with the Chairperson to agree the remuneration of the other directors on CCEA's Top Management Team (TMT). Remuneration is based on the salary scale agreed for each job. The Chief Executive also:

- reviews each director's performance against the targets he has set at the start of the year; and
- agrees, in consultation with the Chairperson, a performance related payment up to a maximum of 10% of the director's salary.

The Remuneration Committee reviews and acts as moderator for these payments.

In line with Treasury guidelines, DE reviews and approves the performance related payments we make to our TMT.

The Chairperson's honorarium has been set by DE at 20% of the mid-point of the Chief Executive's salary scale.

Service Contracts

Each of the directors has a Fixed Term Contract until 31 August 2012. The Interim Chief Executive has an open-ended appointment from the Department of Education. Each is required to serve a notice period of three months. The only termination payments we make are payment in lieu of notice and redundancy payments. The remuneration of all members of TMT consists of salary, performance related pay and pension contributions. They do not receive any benefits in kind.

Pension entitlements

Pension entitlements of senior management are disclosed overleaf. Members of the senior management team participate in either the Northern Ireland Local Government Officers Superannuation Committee's (NILGOSC) Superannuation Scheme or the Teachers' Superannuation Scheme as defined in Note 5 in the Notes to the Financial Statements section of this report.

Emoluments

During the 2010-11 year, emoluments consisted of gross salary only. No performance related payments were made. Payments linked to performance related pay and outstanding back pay are still awaiting approval.

The increase in real terms of the accrued pensions and lump sums is calculated on the basis of an inflation adjustment factor of 2.8% for the year to 31 March 2011 and also shows an adjustment for changes in market investment factors.

Gavin Boyd, Interim Chief Executive, is acting on a non-remunerable basis.

Emoluments and Pension Entitlements of Senior Management (Audited)

	Salary	Performance related pay	Total emoluments	Pensionable earnings	Real increase in pension earned in the year to 31/03/11	Real increase in accrued lump sum to 31/03/11	Total accrued pension at 31/03/11	Total accrued lump sum at 31/03/11	CETV at 31/03/10	CETV at 31/03/11	Real increase (decrease) in CETV
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Neil Anderson Acting Chief Executive (<i>until 28 June 2010</i>)	15-20 (85-90 full year equivalent)	0	15-20 (85-90 full year equivalent)	15-20	-1 to 0	-1 to -2	10-15	25-30	156-157	152-153	(6-7)
Mark Fegan Chief Financial Officer (<i>until 11 June 2010</i>)	15-20 (65-70 full year equivalent)	0	15-20 (65-70 full year equivalent)	10-15	-1 to 0	-1 to 0	1-5	5-10	48-49	46-47	(2-3)
Anne-Marie Duffy Director of Qualifications (<i>appointed 1 April 2008</i>)	65-70	0	65-70	65-70	0 to 1	0 to 1	21-25	71-75	476-477	438-439	(37-38)
Martin Quinn Director of Corporate Services (<i>appointed 1 April 2008</i>)	65-70	0	65-70	65-70	0 to 1	-1 to -2	5-10	10-15	83-84	78-79	(7-8)
Richard Hanna Director of Education Strategy (<i>appointed 1 April 2008</i>)	65-70	0	65-70	65-70	0 to 1	0 to 1	21-25	65-70	425-426	375-376	(53-54)

* Neil Anderson resigned on 28 June 2010 and the salary shown represents his gross salary received for the three months. He was replaced by Gavin Boyd, Interim Chief Executive on a non-remunerable basis.

Cash Equivalent Transfer Value (CETV)

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

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

The CETV figures and other pension details include the value of any pension benefit from another scheme or arrangement which the individual has transferred to the disclosed pension arrangement. They also include any additional pension benefit accrued as a result of their having purchased additional years of pension service in the scheme at their own expense. CETVs are calculated within the guidelines and framework described by the Institute and Faculty of Actuaries and in accordance with guidance used by the Civil Service in Employer Pension Notice EPN 08/2011. The N.I. Audit office has indicated that it is acceptable to use this format for employers subject to the LGPS (NI) Scheme. However, there have been changes to the factors used to calculate CETVs from 1 October 2010. The change in factors have effectively reduced the CETV as noted in the above table.

In its recent budget, the Government has decided that the appropriate discount rate should be based on long term expectations of Gross Domestic Product (GDP) growth. In light of this change, HM Treasury are seeking advice from the Government Actuary's Department as to whether the discount rate used for Cash Equivalent Transfer Values (CETVs) should also change. Therefore, while this review takes place, it should be noted that the figures shown in the above calculations may change, subject to actuarial advice.

Chairperson's Honorarium

During the year, the Chairperson was paid an honorarium of £13,900. In addition, £1,293 was paid in respect of employers' National Insurance Contributions (see Note 4 in the Notes to the Financial Statements section of this report). No emoluments were paid to any other Council member.

Gavin Boyd
Interim Chief Executive..... Date 27/6/11



Reporting of compensation and exit packages for all staff 2010-11

Voluntary Severance Numbers and Costs (2009/10 data shown in brackets)

1	Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
2	<£10,000	0 (0)	2 (0)	2 (0)
3	£10,000 – £25,000	0 (0)	2 (0)	2 (0)
4	£25,000 – 50,000	0 (0)	2 (0)	2 (0)
5	£50,000 – £100,000	0 (0)	2 (0)	2 (0)
6	£100,000 – £150,000	0 (0)	4 (0)	4 (0)
7	£150,000 – £200,000	0 (0)	3 (0)	3 (0)
8	Total number of exit packages	0 (0)	15 (0)	15 (0)
9	Total resource cost	£0 (£0)	£1,181,866 (£0)	£1,181,866 (£0)

Redundancy and other departure costs have been paid in accordance with the provisions of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007 as amended. Where CCEA has agreed early retirements and permission is received from the Department of Education, the additional costs are met by CCEA and not by the respective pension schemes (NILGOSC and NITPS) and these payments are included in the cost of the exit packages shown above. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Statement of Accounting Officer's Responsibilities

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

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

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

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

Statement on Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control which supports the achievement of CCEA's policies, aims and 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 Northern Ireland (MPMNI).

I report directly to the Chairperson of the Council and am supported by three directors who are directly responsible to me.

My directors and I are in regular contact with the Department of Education (DE), our sponsoring Department, and it is kept fully informed of CCEA's plans, performance and risks through a series of reports and meetings. The reports include our monthly management accounts, quarterly assurance reports and corporate risk register.

I accompany the Chairperson to regular Accountability Reviews with the Department of Education.

I attend all Council and Council sub-committee meetings in order to account for the organisation's corporate performance.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of departmental policies, aims and objectives;

- evaluate the likelihood of those risks being realised and their impact should they be realised; and
- manage them efficiently, effectively and economically.

The system of internal control has been in place in CCEA throughout the year ended 31 March 2011 and up to the date of approval of the annual report and accounts. It is in accordance with Department of Finance and Personnel (DFP) guidance.

Capacity to Handle Risk

We operate our risk management process through the following system of stewardship reporting:

- I, supported by the Top Management Team (TMT), take ownership of risks at a corporate level.
- The business managers take ownership of risks at a business unit level.
- Team leaders, education managers and programme managers take ownership of risks at an operational level.

In addition, we have formalised our risk management system by developing, maintaining and communicating through:

- a Risk Management Policy;
- an ISO 9001 Risk Management Procedure;
- a Risk Response Plan;
- a Risk Management Process Manual;
- Corporate, Business and Operational Risk Registers; and
- a Disaster Recovery/Business Continuity Plan.

CCEA has an Audit and Risk Committee which meets on at least a quarterly basis. This committee is responsible for overseeing CCEA's risk and governance arrangements on behalf of the Council. Risk Management is a standing item on the committee's agenda and the corporate risk register is reported after each review.

CCEA's risk management policy and procedures are communicated and accessible to staff through

CCEA's intranet and risk management is included in CCEA's cultural induction for new staff. The risk management process manual describes CCEA's risk management framework and process in detail and is available on CCEA's intranet. Risk management training for those staff responsible for managing risks has been provided and ongoing support and advice on managing risks is provided to staff by the Business Assurance Manager.

CCEA's risk framework and registers are subject to ongoing review and revision with evaluation of the effectiveness of risk management being undertaken with risk owners by Business Assurance.

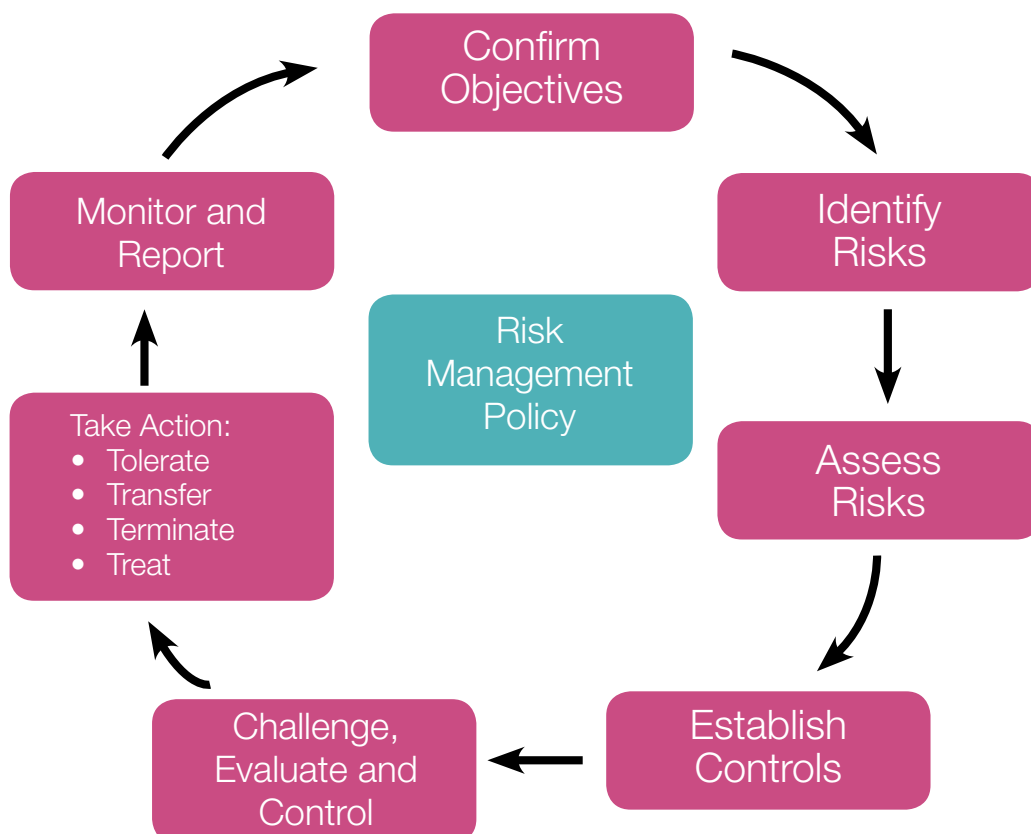
CCEA's corporate risk register is provided to our sponsoring department (DE) at each review and feedback from DE on our risks is incorporated into the register.

The Risk and Control Framework

Key elements of CCEA's risk management cycle

CCEA's core business is to provide services in curriculum, examinations and assessment which are critical to young people and which contribute to Northern Ireland's societal and economic needs. In this context, CCEA is cautious by nature particularly in relation to qualifications and assessment. Consequently, we have a low risk appetite and strive to ensure that our risk management strategy is robust. We promote a no-fail culture and have identified zero defects as a quality objective for all staff.

The diagram below illustrates the key stages of our risk management process.



Identify Risks

CCEA's normal practice is to develop a corporate plan covering a three-year period which is reviewed on a rolling basis. This is supported by annual operational plans which are monitored quarterly for achievement of objectives by Business Assurance. Since the end of March 2010, because of the planned implementation of the Education and Skills Authority (ESA), CCEA has been operating without a corporate plan and therefore identification of our key risks is undertaken against our operational plans on a rolling basis. Best practice in risk management dictates that the corporate and operational plans should form the basis for review of risks at all levels but this was not possible during the 10/11 year.

We identify the key risks that could impact on our corporate and operational objectives. To do this, we carry out a risk assessment exercise every time the risk registers are reviewed. This subjective exercise requires regular review and the involvement of staff from across the organisation with the required seniority, level of experience and breadth of knowledge.

Assess Risks

We address the most significant risks first. In prioritising risks we consider situations that could arise, their likelihood and their potential impact.

In rating our risks we have adopted a new scoring mechanism for our risk management framework which mirrors that of our sponsoring department (DE). This new rating system provides an increased range of risk ratings and allows risk ratings to be more refined and accurate in terms of levels. This has enabled CCEA to focus on those risks within a more targeted range.

We consider risks in terms of the inherent risk rating i.e. the level of risk presented in its raw state before management controls are applied to mitigate the risk. Once this has been completed, consideration is given to the controls we have or can put in place to manage the risk. The risk is reassessed at this point and if it continues to be a risk to CCEA, we rate

the risk with risk mitigation applied. This is the residual risk rating.

In terms of both inherent and residual risk, each risk is scored by rating its likelihood on a scale of 1–5 (with five being the highest) and potential impact on a scale of 1–5 (with five also being the highest). We then rate each risk using the following equation:

$$\text{Likelihood of Risk} \times \text{Impact of Risk} = \text{Risk Rating}$$

Risks rated within the range of 12 to 25 are considered high or critical risks and become an organisational priority.

Establish Controls

Once risks have been identified and assessed, consideration is given to the measures in place to manage them to an acceptable level. Where risks are classified as high or critical, we ensure that additional controls are identified as improvement actions and their implementation is monitored by Business Assurance and TMT.

There are occasions when in spite of additional controls being implemented, the risk level remains high for a prolonged period. This can happen when a risk has materialised previously and increased monitoring and evaluation of the risk is required to ensure that the additional controls are effective or where CCEA has put in place additional controls within its remit but significant elements of the risk are outside CCEA's control. CCEA's control system includes checks to provide early warning of risks escalating or changing in nature.

Challenge, Evaluate and Control

Once risks are identified and mitigation and contingency actions are implemented, the risks and controls are reviewed on a regular basis. Corporate risks are reviewed quarterly by TMT, Business Assurance and the Audit and Risk Committee.

Business risks are reviewed biannually by owners and Business Assurance; and annually by Audit and Risk Committee through a report provided by the Business Assurance Manager. Operational risks are reviewed formally on an

annual basis by owners and line managers with Business Assurance, and are reported on an exceptional basis to the Audit and Risk Committee. In addition to these review mechanisms, risks at all levels are subject to an annual audit/evaluation by the Business Assurance Manager and are also reviewed as part of normal business through Operations, Modernisation and Business Development Boards in the Qualifications directorate and through regular meetings by project within the Curriculum, Assessment and Reporting directorate.

Take Action

In accordance with best practice and HM Treasury Guidelines, CCEA implements mitigation against and plans contingencies for each risk using one of the four approaches described below:

Category	Definition
Transfer the risk	This includes paying a third party to take the risk or transferring it by conventional insurance.
Tolerate the risk	Some risks we cannot influence. For example, control of the risk may lie outside the organisation. Other risks may be considered unlikely to happen, may not have a major impact if they do, or the cost of taking action may be disproportionate to the potential benefit.
Terminate the risk	Some risks are only treatable or containable to acceptable levels by terminating the activity, designing/simplifying a business process to avoid the risk, or not pursuing the particular objective.
Treat the risk	The majority of risks will belong in this category. The risk is treated by implementing control processes that bring the risk down to a level acceptable to the organisation.

Monitor and Report

We ensure that risk registers are reviewed regularly by all levels within the organisation in order to add, remove or amend risks in response to changing events. TMT and the Audit and Risk Committee receive regular reports which are quality assured by the Director of Corporate Services and the Business Assurance Manager. All staff are periodically reminded to immediately report new risks, near misses or risks affected by new factors, rather than wait for the normal reporting cycle. There is a formal risk escalation mechanism established as part of the risk management framework. Business Assurance is also represented on each of the Qualifications management boards where risks and mitigation are discussed. These boards (Operations, Modernisation and Business Development) meet on a monthly basis.

Management of information risks

Following CCEA's initial review of arrangements for the security and transfer of personal data in early 2008 and the implementation of the associated action plan in 2009, a further self-assessment was undertaken in 2010. This assessment was submitted to the Department of Finance and Personnel (DFP) in December 2010. The results have categorised CCEA as being in a 'managed state of maturity' (the second highest level). This report confirms that CCEA has formal documented policies and procedures in place, supported by well designed practices which generally operate effectively. Once CCEA has analysed the feedback in detail, an action plan to address areas for improvement will be developed and implemented.

On an annual basis, CCEA has also asked all business managers and directors to provide a signed statement confirming that they are satisfied that all information risks are being handled effectively within their areas of responsibility. These risks are also assessed through consultation with TMT on a quarterly basis as part of the completion of the quarterly assurance reports for DE. The management of information risks is now a routine part of our stewardship reporting and risk management processes.

CCEA has a number of other contingency plans to manage risks to information arising from major events, for example, loss of the CCEA building or breach of confidentiality. These plans include a disaster recovery/business continuity plan; an Emergency Preparedness and Response Procedure (required for both ISO 14001 and OHSAS 18001); a Risk Response Plan; and ICT owned Disaster Recovery Plans for the AS400 examinations system and the rest of CCEA's network.

At present CCEA retains one aspect of risk exposure in this area. It relates to the potential impact on the examinations process if there was major disruption to our building at Clarendon Dock. As part of the delivery of examinations, candidates' scripts are collected from centres and delivered to our main building for processing before being sent to examiners. If access to the building was disrupted while scripts were being held in CCEA and before

marking had begun, the examinations process would be undermined. Once CCEA has fully implemented the planned on-line marking project, this risk would be significantly reduced. In the interim period, and while a potential risk remains, consideration is being given to an alternative location for this part of the examination process.

Review of effectiveness

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

- the work of the internal auditors and the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the external auditors in their management letter 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 Council and the Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

As Accounting Officer, I rely on the work of the Business Assurance Manager in reviewing the overall system of internal control. The Business Assurance Manager is informed by:

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

Council and sub-committees

During the reporting period, the Council met eight times, Finance Committee met five times, Audit and Risk Committee four times and the

Education Committee which has recently been established met once.

Audit and Risk Committee

CCEA's Audit and Risk Committee scrutinises the organisation's performance on procurement policy, controls and procedures, risk management and corporate governance. Representatives from CCEA's internal auditors, the DE, the NIAO and CCEA's Business Assurance Unit attend each meeting. The Committee also has the opportunity each year to meet with both the internal and external auditors without CCEA's executive officers being present, in line with best practice.

Internal audit

To make our internal audits as effective as possible, we outsource this function. Although during the reporting period CCEA's internal audit function was carried out by two different companies, the reports and annual opinion of the service provider up to June 2010 (KPMG) were included in CCEA's SIC for 2009/10. From July 2010, ASM has undertaken CCEA's internal audit function. During the reporting period ASM completed six risk-based assurance reviews. Of these reviews three were rated as satisfactory and three as limited.

ASM's overall opinion on CCEA's system of internal control and risk management for the year ending 2010/11 is rated as limited. This determination has been based on the level of risks associated with the three reviews rated as limited. Of those reviews, CCEA's control of the risks around two is restricted; i.e. in relation to Teacher Release payments control for this process and the assurances around it lie outside CCEA and in relation to Procurement, many of the significant issues have arisen as a result of circumstances beyond CCEA's control.

More detail around each of the limited assurance reviews is provided below.

Review Type	No.	Outcomes
Risk-based assurance reviews	3	Satisfactory
	3	Limited
Total	6	

.....
 Visit www.ccea.org.uk for a detailed report on how we performed against all the measures within our costed Operational Plan for 2010/11.

Area	Audit Title	Rating	Recommendations	Status of Recommendation	Follow-up Review Completed
Financial	Review of Purchasing and Procurement	Limited	8 priority 1, 5 priority 2 and 3 minor improvements	Report just completed	Scheduled for Autumn 2011
	Review of Payroll, Pensions and Travel Expenses	Satisfactory	3 priority 2 and 3 minor improvements	Report just completed	Scheduled for Autumn 2011
	Teacher Release	Limited	5 priority 1 improvements	In progress through liaison with DE	Scheduled for Autumn 2011
Operational	Professional Associates	Limited	14 priority 1 and 9 priority 2 improvements	All in progress/on target for end June 11 completion	Scheduled for Autumn 2011
	ICT Coding and Interfaces	Satisfactory	6 priority 2 and 1 minor improvement	In progress	Scheduled for Autumn 2011
	Review of ACETS Team	Satisfactory	2 priority 2 and 1 minor improvement	Report just completed	Scheduled for Autumn 2011

Teacher release

This review confirmed CCEA's concerns about the lack of oversight and accountability afforded by CCEA's inability to verify elements of the expenditure arising from teacher release claims. Recommendations to address these weaknesses have been suggested in a letter to DE in February 2011 with a proposed implementation time frame of September 2011, subject to approval by DE.

Review of purchasing and procurement

This report highlighted the challenges in balancing the need for business continuity with the need for enhanced controls over procurement.

Professional associates

This review was commissioned by CCEA to assess the internal controls around the use of professional associates. Professional associates are used by CCEA for ad-hoc pieces of work where additional short term capacity with specialist skills and knowledge is required, for example, supporting DE policy initiatives. A professional associate is defined as an individual who is contracted to do work for CCEA for a limited period of time and who uses their own resources and facilities in order to complete the work. They are not employees of CCEA and are not entitled to any CCEA benefits. They are usually self-employed or serving teachers. This review identified issues around the appointment, selection, management and appraisal of professional associates. An action plan to address control weaknesses has been put in place for full implementation by the end of June 2011.

Follow-ups to 2009/10 audits

Follow-up reports on audits undertaken in 2009/10 are scheduled as part of the 2011/12 internal audit plan. Business Assurance however has undertaken a desk-top follow-up on those actions outstanding from the 2009/10 audits. Of the recommendations made in these reviews, 23 are complete, 5 are in progress, 3 have been superseded and 2 have not yet been actioned.

The internal audit reviews undertaken are listed below.

- ESA transition;
- Financial Ledger and month end processes;
- Review of the process used to appoint and determine the salary scales for the interim Top Management Team of CCEA and the appropriateness of the 2009/10 Pay Remit;
- Review of Top Team Contracting;
- Contracted-for-Services Payments; and
- Risk Management and Corporate Governance.

Management's key assurance mechanisms

Performance management

At CCEA, all staff are subject to an annual performance appraisal which includes assessment against relevant competencies. The mechanism is particularly designed to ensure that staff at managerial levels are challenged and is intended to provide confidence that business tools at managers' disposal are being deployed as required.

The operational plan was updated to reflect the work of each business unit and this was monitored quarterly by the Business Assurance manager. Overall the monitoring of the operational plan by Business Assurance has concluded that managers are meeting targets and in the main are delivering outputs on time and within budget. Reporting on CCEA performance to customers has continued through the performance micro-site on the CCEA internet.

Quality management

CCEA has in place a range of nationally and internationally recognised quality standards and systems which help to provide confidence that CCEA's internal control arrangements are robust.

ISO 9001:2008

CCEA's commitment to maintaining ISO 9001 certification contributes to the control environment as the standard focuses on ensuring organisational processes are effective and fit for purpose. The appointment, training and rotation of internal quality procedural and process auditors and the continuous review of procedures contributes to the achievement

.....
**Our Business Continuity Plan
now represents best practice**
.....



CCEA is the first public body in Northern Ireland to be accredited with this new standard. Out of the 57 criteria, we achieved best practice in five, full compliance in 46 and partial compliance in six.



Only one minor issue was raised. This was inconsistency among teams in how they review procedures. This is our first non-compliance since 2002 .

ISO 14001
(Environmental)

OHSAS 18001
(Health and Safety)

ISO 27001
(Information Security Management)

TickIT (Software Development)

ISO 20000
(IT Services Management)



of the objectives of internal control. During the reporting period there was one ISO 9001 surveillance visit undertaken by an independent assessor which resulted in continuing accreditation to the ISO 9001:2008 standard. However, as a result of errors in the delivery of CCEA's examinations during the reporting period, the ISO system has been rejuvenated to strengthen the internal control system. This has been driven through in-depth audits of procedures by Business Assurance, monitoring and reporting of procedure review to TMT and new guidance and training for staff.

ISO 14001: 2004

For five years CCEA has deployed the ISO 14001 environmental management system as a mechanism for reducing its consumption of non-renewable resources, to ensure that it meets all environmental legislation and to adopt best practice in the area of environmental policies. We have continued to be accredited with no non-compliances to the standard during the reporting period. We were also assessed for DEC legislation and improved our energy rating in both the applicable buildings which are now rated as 'B', the second most favourable and energy efficient rating.

OHSAS 18001:2007

CCEA has used OHSAS 18001 since 2007 to ensure health and safety best practice which in turn helps us to identify our hazards and eliminate or control the risks associated with these. Associated activity has been to promote

awareness; to develop safe systems of work; and to ensure a safer and healthier working environment. We were recertified to the standard during the reporting period with no non-compliances.

Deployment of, and accreditation to, the standard has provided support for the internal control through its contribution to the management of risks. This is achieved by helping CCEA to ensure that we comply with legislation that we protect staff through reduction of incidents and we improve our health and safety performance. This has had an impact on the management of many risks associated with liability and reputation.

ISO 27001, Tick IT, ISO 20000

During the reporting period, CCEA maintained accreditation to a number of ICT related standards:

- ISO 27001 is an internationally recognised standard of good practice in information security management which enables CCEA to monitor and control its security, minimise residual business risk and at the same time ensure that security fulfils corporate, customer and legal requirements.
- Tick IT helps in-house software developers to improve the quality and application of software being developed. This is achieved by deploying a quality system that covers all the essential business processes in a product's life.

- ISO 20000 is a framework that ensures that CCEA adopts a proactive approach to delivering excellent IT service management with a focus on customer and business needs. The standard helps organisations benchmark how they deliver managed services, measure service levels and assess their performance. The standard is aligned strongly with ITIL and its framework enables IT service providers to identify how the quality of their service to customers can be enhanced and to then deliver high levels of customer service that also meets business needs. As the standard incorporates information security and business continuity among many other elements it provides further confidence in the management of CCEA's risks around IT and data security and continuity of service delivery.
- FAST (Federation Against Software Theft) provides assurance in a number of areas including CCEA's compliance with licensing regulations and maintenance of records of all software held within the ICT servers and networks. CCEA retained accreditation to the Gold standard in FAST during the reporting period.

Customer Service Excellence Standard

During the reporting period, CCEA was reaccredited to the Customer Excellence Standard which is designed to drive service transformation through customer insight. The standard measures the extent to which an organization is meeting 57 criteria of customer service in five different areas. CCEA achieved a high performance in the standard with a number of Best Practice (6), full compliance (50) and only one partial compliance criteria. This achievement demonstrates CCEA's commitment to its customers which in turn provides confidence in the internal control system.

Customer Charter Feedback Report

On an annual basis CCEA publishes its Customer Charter Feedback Report. The Feedback Report details the extent to which CCEA has met the standards of service it has set itself. CCEA has 54 standards which have been set following consultation with customers to determine what standard of service they

expect to receive. During the reporting period CCEA achieved the targets set for 53 of the 54 standards. This represents an improvement in performance from the previous year. CCEA's performance in this area provides confidence that the objectives of internal control are being met.

Financial management

CCEA prepares a comprehensive costed operational plan each year. The plan describes the organisation's objectives, delegates them to business managers, and assigns performance measures and a budget against each one. The operational plan is submitted to the Department of Education for approval and provides a full disclosure of CCEA's intended use of public resources.

Budget management is an integral part of each business manager's job description and is incorporated into the framework for their performance appraisal. Business managers are provided with on-line cost reports within five working days of each month end and this is supported by a suite of analytical efficiency and performance reports.

Regular reports on CCEA's financial performance are presented to the TMT, DE and both the Council and the Finance Committee for analysis, comment and the identification of actions.

The Financial Services team continues to develop and strengthen financial controls within CCEA. Control accounts and financial procedures are constantly reviewed and the staff are focused on providing more proactive support to the organisation through the use of a dedicated finance website to promote policies, streamline processes, highlight performance and encourage consultation.

The team continues to deliver a multi-layered programme of awareness raising sessions around budget and financial management for staff at all levels.

Asset management

CCEA manages the maintenance and security of its assets.

In respect of maintenance, contracts are in place for the maintenance of all ICT equipment, print and photocopying equipment. The facilities management provider is responsible for planned and unplanned maintenance of plant items, for ground maintenance and a planned cleaning programme that ensures health and safety requirements are met. CCEA staff are also given "on the job" training to ensure that they use equipment to best advantage, for example, print and photocopying equipment.

In respect of security of assets, CCEA has a general register of all assets which is reviewed and updated every year. Where appropriate assets are tagged and bar code cross-referenced to the assets register.

The ICT team maintains a register of all computer equipment. To protect from viruses, all individual computers have software installed which is reviewed and updated regularly. The network is similarly protected with regular review to protect from hackers. These arrangements are externally validated through the ICT standards deployed within CCEA including ISO 27001 and Tick IT. In addition to CCEA's data protection improvement plan, management have only authorised the use of encrypted USB devices. This has increased the security levels of CCEA's information, both personal and business, which provides further assurance on the management of information risks in support of the Statement on Internal Control.

Although CCEA had a significantly reduced capital budget during 2010/11, a significant proportion was targeted at improving ICT capacity and infrastructure renewal.

Examinations processing operations management

As an examinations awarding body, CCEA is required to follow a Code of Practice drawn up by the regulatory authorities. Under the umbrella of the Joint Council for Qualifications (JCQ), it also adheres to common arrangements agreed and adopted by all awarding bodies in

examinations for the purposes of consistency and commonality.

The regulatory authorities conduct monitoring and scrutiny exercises of CCEA. The reports from these exercises identify areas for improvement. Following receipt of reports, CCEA draws up action plans for improvement. During the reporting period action plans have been monitored in order to ensure that recommended improvements have been appropriately actioned within specified time scales.

Also during the reporting period, CCEA completed its third self-assessment exercise against a specified framework set out by Ofqual. An action plan is currently being put in place as a result of this exercise and actions prioritised for implementation.

In the reporting period CCEA also carried out its seventh customer satisfaction survey of awarding bodies operating in Northern Ireland. CCEA performed well at both GCE A level and GCSE.

In conclusion, monitoring and scrutiny reports, the development of the self-assessment action plan, performance against Ofqual performance indicators, and the outcome of the Northern Ireland awarding bodies survey provide support for the internal control framework for examinations provision. They also provide opportunities for continual identification of areas for improvement.

Errors identified following the issue of results in the summer 2010 examination series demonstrate that there were some weaknesses in the internal control mechanisms. Individual action plans have been put in place to address these and are ongoing. This issue is addressed in more detail in the section on significant internal control problems.

Formal complaints or requests for information under legislation

The Freedom of Information Act came into effect in January 2005 from which date CCEA has recorded requests made under this and Data Protection Legislation. In the reporting period 58 requests for information under the legislation were made. All requests were completed within the required time scales.

No complaints were made to the Information Commissioner's Office.

During the reporting period CCEA was not the subject of any complaints through any of the external complaints agencies, and no complaints were made to the Office of the Northern Ireland Ombudsman.

Benchmarking in Best Practice

During the reporting period a number of organisations consulted with CCEA about best practice through benchmarking and case studies. This confidence demonstrates that in spite of the identification of some weaknesses in the internal control system we do retain strong processes and systems and that we have a drive to learn, improve and innovate. Organisations who sought our expertise included SQA, Polish and South African education organisations, Northgate and Translink.

Clarifying and developing staff behaviours through training and development

A formal process is in place for analysing staff training and development needs which informs the preparation of a Staff Training and Development Plan. In addition to this CCEA has an Employee Development Scheme to encourage staff to engage in learning. This has been taken up by all grades of staff with CCEA's own internal take-up target being exceeded. As a result more staff in CCEA have gained professional qualifications. All training and development is formally evaluated and shows positive trends. CCEA has also delivered statutory training in support of Health and Safety, Diversity and Equality.

CCEA has provided numerous training courses and workshops on leadership and change management to all grades of staff in preparation for the transition to ESA.

In respect of the appointment of staff, CCEA adheres to a Recruitment Policy that is accessible to all staff in a staff handbook. CCEA complies with all legislative requirements including the duty to produce monitoring reports to the Equality Commission about training, promotion and recruitment. CCEA pays due attention to health and safety

legislation. We carry out risk assessments, and have appointed and trained Health and Safety officers and first-aiders. This area has been externally validated by continued accreditation to OHSAS 18001.

Customer satisfaction survey

During the reporting period CCEA undertook a comprehensive revision of our customer satisfaction survey which has been conducted on an annual basis for ten years. The 2011 survey was launched with customers in May 2011. The survey is designed by the Research and Statistics unit in consultation with key managers including the Business Assurance manager. The survey results are expected by June 2011. During the reporting period all actions identified in the customer satisfaction survey action plan from the last survey were completed.

Significant Internal Control Problems

A2 Chemistry

In August 2010 CCEA identified an error in results issued for A2 Chemistry caused by the use of an incorrect mark scheme for processing a multiple choice section (AC211) of the examination. CCEA immediately corrected the mistake and reported the issue to the Regulator, Council and DE, and a letter was issued to all centres and candidates affected. CCEA worked to ensure that no candidates were disadvantaged. CCEA immediately commissioned an internal investigation. The resultant report identified a series of improvement actions. DE also commissioned a two stage review by Ofqual. The first stage of this review was focused on the incident itself. The second stage involved a broader review of CCEA's processes and systems. Both parts of the review confirmed the findings of both CCEA's investigation into the error and a review of CCEA's examination processes that had been undertaken by Business Assurance in June. Action plans from all reports have been incorporated into one time-bound action plan. This plan is driven by TMT, monitored by Business Assurance and reported to Audit and Risk Committee, Council and DE on a regular basis. Control weaknesses identified included some inconsistencies in the currency and suitability of CCEA's documented procedures; some non-compliance with procedures; some issues around management of interfaces; some

failures to clarify roles and responsibilities within teams and across interfaces; and issues related to staff turnover in particular areas resulting in some gaps in knowledge and experience.

Implementation of the plan is well advanced and the majority of the actions are on target to be achieved within agreed time scales. Significant actions complete or well advanced and on target include:

- a review of all procedures within CCEA to ensure currency;
- development of revised guidance for staff in writing and implementing procedures;
- new training for staff in procedures, controls and risks; and
- audit and review of key systems and processes for control weaknesses carried out by Business Assurance.

A2 English

In September 2010, CCEA became aware of an issue around the results for a small number of candidates in an A-level English Literature Paper (A22).

CCEA moved quickly to ensure that the error was rectified and to ensure that candidates' university places were not lost. CCEA worked to ensure that no candidates were disadvantaged. CCEA also reported the issue to DE and to the Regulator immediately, as part of our normal process.

An internal investigation was undertaken to identify the control weaknesses and a report and action plan issued. The investigation team concluded that the error had occurred at an interface point due to a lack of clarity around procedures, forms and terminology. The action plan is being monitored through CCEA's Operations Board.

Translation of Irish Medium Scripts

In September 2010 during the period of enquires about results, some errors in the translation of a small number of Irish Medium candidates' scripts were identified. CCEA undertook a review of the translated scripts to identify the extent of the problem. Following the correction of the errors identified, CCEA instigated a series of corrective and preventive actions. These included a review of the processes supporting Irish Medium qualifications. An action plan was developed

and progress on delivery is monitored and reported to DE by the on a regular basis. The main control weaknesses identified were the lack of documented procedures within the Irish Medium Unit; management of the interface between Irish Medium unit and examinations; issues around recruitment and training of temporary translators; and recruitment of Irish Medium examiners.

Implementation of the action plan is well advanced and the majority of the actions are on target to be achieved within agreed time scales. Significant actions complete or well advanced and on target include:

- a review of Irish Medium processes;
- development of new procedures and controls for translation of Irish medium scripts;
- new training for temporary translators; and
- improved recruitment and selection process for temporary translators.

Non-compliance with CCEA's revised Management Statement

In September 2008 CCEA's management statement was revised. The changes made included an amendment to delegated authority levels requiring CCEA to obtain DE approval for expenditure over £30,000. In the autumn of 2010, CCEA identified that the changes had not been clearly communicated to all relevant staff. Further internal investigations identified that CCEA had failed to obtain appropriate Departmental approval for twelve contracts that were awarded during the period September 2008 to June 2010. These totalled to £3,317k.

On discovering this failure, CCEA immediately advised DE and implemented controls to address the breach and to ensure that there were no further non-compliances. Since June 2010 no expenditure over £30,000 has been incurred without DE or DFP approval as required. CCEA is now working closely with the Department to ensure that the necessary approvals are secured. Business cases for each of the contracts that were awarded have now either been prepared or are in the process of being prepared by the CCEA. In 2010-11, £266k in expenditure was incurred relating to business cases that have not yet been approved by the Department.

Having reviewed the nature and value of contracts awarded, the Department has indicated that it envisages no reason why retrospective approval will not be granted. The

Department has also reviewed the monitoring controls in operation over CCEA to ensure that full compliance with its delegated authorities is achieved in the future.

Non-compliance with Pay Remit Policy

During the 2010/11 year, CCEA was advised by DE that some payments it had made or promised to make had been deemed irregular as prior permission had not been obtained from the Department in line with Pay Remit policy. It is a condition under CCEA's Management Statement and Financial Memorandum (MSFM) that all pay awards must have written approval of the Department before being either made or notified to staff.

As highlighted in the 2009/10 Annual Report and Accounts, the 2008/09 irregularity related to an honorarium payment of £2,658, ICT retention payments of £25,679 and £84,358 in relation to performance related payments.

The 2009/10 irregularity relates to an honorarium payment of £2,986.

The 2010/11 irregularity relates to an honorarium payment of £995.

During the 2010/11 financial year, the outstanding PRP payments were authorised by the interim CEO on the understanding and acceptance that there existed a clear contractual commitment to do so.

The above matters have previously been reported by CCEA to the Northern Ireland Audit Office. Assurance has also been provided to DE that there will be no reoccurrence and that appropriate authorisation will be sought and obtained in advance of any payment or commitment to pay in line with Pay Remit policy.

The 2010/11 CCEA main and supplementary pay remits were submitted to DE for consideration on 13th May 2011. CCEA, in accordance with the requirements of the MSFM, will neither communicate to staff nor make any uplifts in salary until formal approval is obtained from DE.

In March 2011, CCEA was advised that DFP had given approval for payment of cost of living and progression increases for the CCEA Top Management Team for the 2008/09 TMT pay remit; but that approval for payment of the PRP

element of the remit had not been given. This matter remains to be resolved between DE and DFP.

Department of Education Internal Audit review of meetings and hospitality events between 2002/03 and 2010

Following the response to an FOI requesting details of all meetings and hospitality events between 2002/03 and 2010 held by CCEA Council at locations other than CCEA, the Permanent Secretary within the Department of Education (DE) instructed DE Internal Audit to undertake a review. The purpose of the review was to determine if appropriate assurances could be provided in relation to regularity, propriety and value for money with regards to managing and accounting for public expenditure incurred by CCEA in the area of external events and associated corporate hospitality.

The review highlighted that there had been occasions where expenditure incurred by CCEA on external events and associated corporate hospitality has been non-compliant with policies and procedures and did not represent best practice in relation to procurement processes.

DE Internal Audit fully acknowledged that whilst the principles of safeguarding public money have remained the same, detailed guidance has evolved over recent time with experience, and the general financial environment today is different from the period covered in the review undertaken by Internal Audit. In addition, Internal Audit appreciated that many of the policies, procedures and practices used to support decision making have evolved over time, not least with the significant revision to CCEA's current Management Statement and Financial Memorandum in October 2008.

However, Internal Audit considered that the issue of public perception was fundamental in relation to the area of expenditure on external events and associated corporate hospitality. The review stated that whilst CCEA may consider that it is entirely appropriate for certain events to take place at specific locations, it is essential that CCEA demonstrates that regularity, propriety and value for money have been fully considered before making any decision, particularly in the current economic climate. Where venues are selected without competition, this is a single tender action and as such must be robustly justified and approved by the CCEA Accounting Officer. In addition,

the review stated that a key consideration for CCEA should be how the public will perceive expenditure on external events and associated corporate hospitality and should therefore be at the forefront of any decision making process employed by CCEA.

During the reporting period, CCEA management ensured that a robust challenge was placed on any requirement to use an external venue as well as any requirement to provide catering. Improved guidance was also issued and training sessions carried out with relevant teams. Following the Departments Internal audit review, CCEA is introducing further improvements including making full use of the approved venues list, the updating of policies and procedures and improved reporting to Audit and Risk Committee.

Misuse of flexi-time recording

In 2009/10 CCEA identified two minor cases of fraud. Both of these cases related to misuse of CCEA's flexi-time recording. An investigation was undertaken which led to disciplinary action for the two members of staff. These cases were reported in CCEA's annual fraud return to DE/DFP in June 2010.

Following a review of the control weaknesses in relation to this fraud, corrective and preventive actions were put in place. These included business manager review of the monitoring of flexi-time within the department, review of access control arrangements across CCEA's sites which provided an accurate record of working time and the Business Assurance Manager undertook liaison with all business managers on fraud risks and the controls necessary to manage these.

.....

We ensure that risk registers are reviewed regularly at all levels within the organisation in order to add, remove or amend risks in response to changing events.

.....

Significant risks

Failure to maintain the business infrastructure required to support the deliverable outputs of the organisation.

This risk encompasses a number of significant threats to the achievement of the organisation's objectives. These include the continued absence of a Chief Finance Officer (CFO), a full-time permanent CEO and the absence of a Corporate Plan. The absence of a CFO presents a risk to the organisation in relation to ensuring good corporate governance and financial management.

To mitigate this risk, the Financial Controller is reporting directly to the CEO and attends TMT meetings. The situation will be reviewed in July 2011 when further decisions on a recruitment process will be taken.

The results from CCEA's 2010/11 staff survey have identified low staff morale as a result of the uncertainty caused by the delayed implementation of the Education and Skills Authority. TMT has considered the findings from the survey and has commissioned an improvement action plan. TMT will monitor the implementation of the plan.

All of the awarding bodies are currently engaged in a programme of work (the A2C project) which is aimed at streamlining examination processes. CCEA is engaged in the working group but elements of the programme require significant financial investment and CCEA has not yet signed up to the whole programme until approval has been obtained from DE. As CCEA cannot currently commit to the full project, we have limited ability to influence the development and outcomes of the project. Failure to engage fully in the project going forward may put CCEA at a disadvantage in terms of modernisation and synchronisation with other awarding bodies. This may then impact on the efficiency of examination service delivery for customers. A business case has been prepared for DE in relation to this work.

Failure to ensure that appropriate resources, systems and procedures are in place to ensure the accurate delivery of examinations.

This remains a significant risk to CCEA. Through the deployment of a number of action plans, CCEA continues to increase the effectiveness of the assurance framework mechanisms. This is being supported by a comprehensive review of systems, processes and procedures by Business Assurance. The programme of reviews and implementation of relevant action plans however are not yet complete therefore the risk remains high and requires close monitoring.

As stated in the section on Management of Information Risks, CCEA faces a potential risk to the effective delivery of examinations arising from potential disruption to the main CCEA building at Clarendon Dock during a short period of time in the early stages of the examinations season. Following collection from centres, examination scripts are processed from the main building to examiners for marking. Loss or disruption of access to these scripts at this point in the exams process would have a significant impact on CCEA's ability to deliver examination results. CCEA has implemented a pilot for on-line marking of examinations and partial roll out of this across all subjects forms part of CCEA's modernisation programme. Full implementation of this programme would significantly reduce this risk but in the interim period consideration is being given to an alternative location for this part of the examination process.

Failure to ensure effective corporate governance and accountability arrangements including appropriate financial and fraud management and data security.

Although actions to provide assurance around corporate governance have been taken within the reporting period, this risk continues to require close monitoring. The Council plays a vital role in the effective corporate governance of the organisation but reduced membership has inevitably meant that the full range of skills and experience available to previous Councils is not currently available.

Failure to deliver current statutory computer based assessments (InCAS) 2011.

This risk relates to ensuring that the developers of InCAS can provide sufficient assurances about the efficacy of the tool in advance of the 2011 assessment series. The General Mathematics assessment will be re-standardised for use in 2011. This will result in a loss of comparative data between 2011 and previous years. Normal operational risks remain in 2011 and the impact of these presenting is high. Measures are in place to manage such risks but some are outside the control of CCEA (i.e. those related to assessment software and assessment algorithms). For these, CCEA will require CEM to provide details of risk management and stewardship reports.

Gavin Boyd.....
Interim Chief Executive

Date ..27/6/11.....

Certificate and Report of the Comptroller and Auditor General

I certify that I have audited the financial statements of for the Northern Ireland Council for the Curriculum, Examinations and Assessment for the year ended 31st March 2011 under Schedule 3 of the Education (Northern Ireland) Order 1998. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the 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 Northern Ireland Council for the Curriculum, Examinations and Assessment's circumstances and have been consistently applied and adequately disclosed; the reasonableness

of significant accounting estimates made by the Northern Ireland Council for the Curriculum, Examinations and Assessment; and the overall presentation of the financial statements.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions 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 Northern Ireland Council for the Curriculum, Examinations and Assessment's affairs as at 31 March 2011 and of its net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and Department of Education directions issued thereunder.

Opinion on other matters

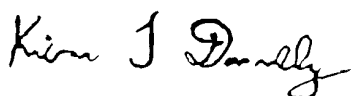
In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Education directions issued under Schedule 3 of the Education (Northern Ireland) Order 1998; and
- the information given in the Financial Summary 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 Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.



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

29th June 2011

Statement of Comprehensive Net Expenditure

Year ended 31 March 2011

		2011		2010 Restated*	
	Notes	£	£	£	£
Expenditure					
Staff costs	4	11,254,188		13,340,913	
Other expenditures	6	15,919,468		16,948,973	
Depreciation charge for year	7	305,824		439,199	
Amortisation charge for year	8	26,935		65,536	
Expenditure for the year			27,506,415		30,794,621
Income					
Income from activities	3		9,569,115		9,402,343
Net expenditure			17,937,300		21,392,278
Other finance costs	9		316,000		477,000
NET EXPENDITURE AFTER INTEREST (transferred to general reserve)	18		18,253,300		21,869,278

* 2010 Restated - Refer to Note 1.13

Other Comprehensive Expenditure

	Notes	2011 £	2010 £
Net (loss)/gain on revaluation of property, plant and equipment (in Revaluation reserve)	7 & 17	(5,208)	68,516
Net gain on revaluation of intangibles (in Revaluation reserve)	8 & 17	689	8,800
Actuarial gain/(loss) in respect of pension liability	5.1b & 18	7,279,000	(9,267,000)
TOTAL COMPREHENSIVE EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2011		10,978,819	31,058,962

All amounts above relate to continuing activities.

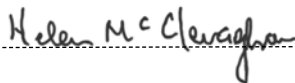
The notes on pages 46 to 64 form part of these accounts.

Statement of Financial Position

At 31 March 2011

	Notes	2011		2010	
		£	£	£	£
Non-current assets					
Property, plant and equipment	7	408,139		659,249	
Intangible assets	8	<u>42,892</u>		<u>43,357</u>	
Total non-current assets			451,031		702,606
Current assets					
Inventories	10	-		32,651	
Trade and other receivables	11	2,377,464		2,452,157	
Cash and cash equivalents	12	<u>777,334</u>		<u>8,169</u>	
Total current assets			3,154,798		2,492,977
Total assets			3,605,829		3,195,583
Current liabilities					
Trade and other payables	13	<u>(3,272,525)</u>		<u>(1,494,668)</u>	
Total current liabilities			(3,272,525)		(1,494,668)
Non-current assets plus net current assets			333,304		1,700,915
Non-current liabilities					
Provisions	14	(713,000)		(815,000)	
Pension liabilities	5.1c	<u>(4,628,353)</u>		<u>(15,115,663)</u>	
Total non-current liabilities			(5,341,353)		(15,930,663)
Assets less liabilities			(5,008,049)		(14,229,748)
Taxpayers' equity					
Revaluation reserve	17	(66,686)		(62,167)	
General reserve	18	<u>(4,941,363)</u>		<u>(14,167,581)</u>	
			(5,008,049)		(14,229,748)

The financial statements on pages 42 to 64 were approved by the board on 17 June 2011 and were signed on its behalf by:

Helen McClenaghan  Date 27/6/11
Vice Chairperson

Gavin Boyd  Date 27/6/11
Interim Chief Executive

The notes on pages 46 to 64 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2011

	Notes	2011 £	2010 £
Cash flows from operating activities			
Net expenditure after interest		(18,253,300)	(21,869,278)
Adjusted for:			
Depreciation	7	305,824	439,199
Amortisation	8	26,935	65,536
Bad debt provision		(715)	(13,256)
Bad debts written off		123	4,895
IAS 19 pension costs	5.1d	(3,310,310)	259,444
Decrease in inventories	10	32,651	14,940
(Increase)/decrease in trade and other receivables	11	75,286	(258,528)
Increase/(decrease) in trade and other payables	13	1,777,856	103,247
Increase/(Decrease) in provisions	14	-	(15,241)
Net cash (outflow) from operating activities		(19,345,650)	(21,269,042)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(52,883)	(214,732)
Purchase of intangible assets	8	(32,820)	-
Net cash (outflow) from investing activities		(85,703)	(214,732)
Cash flows from financing activities			
Recurrent grants received	18	20,118,319	20,731,527
Capital grants received	18	82,199	185,415
Net financing		20,200,518	20,916,942
Net increase/(decrease) in cash and cash equivalents in the period		769,165	(566,832)
Cash and cash equivalents at 1 April 2010	12	8,169	575,001
Cash and cash equivalents at 31 March 2011	12	777,334	8,169

The notes on pages 46 to 64 form part of these accounts.

Statement of Changes in Taxpayers' Equity

Year ended 31 March 2011

	Notes	General Reserve £	Revaluation Reserve £	Total Reserves £
Balance at 31 March 2009		(3,948,246)	(139,483)	(4,087,729)
Changes in taxpayers' equity 2009-10				
Deficit for year from statement of comprehensive net expenditure		(21,869,278)	-	(21,869,278)
Net gain on revaluation of property, plant and equipment	7	-	68,516	68,516
Net gain on revaluation of intangible assets	8	-	8,800	8,800
Actuarial (loss) in respect of pension liability		(9,267,000)	-	(9,267,000)
Recurrent funding	18	20,731,527	-	20,731,527
Capital funding	18	185,416	-	185,416
Balance at 31 March 2010		(14,167,581)	(62,167)	(14,229,748)
Changes in taxpayers' equity 2010/11				
Deficit for year from statement of comprehensive net expenditure		(18,253,300)	-	(18,253,300)
Net (loss) on revaluation of property, plant and equipment	7	-	(5,208)	(5,208)
Net gain on revaluation of intangible assets	8	-	689	689
Actuarial gain in respect of pension liability		7,279,000	-	7,279,000
Recurrent funding	18	20,118,319	-	20,118,319
Capital funding	18	82,199	-	82,199
Balance at 31 March 2011		(4,941,363)	(66,686)	(5,008,049)

The notes on pages 46 to 64 form part of these accounts.

Notes to the Financial Statements

Year ended 31 March 2011

1 STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the *2010/11 Government Financial Reporting Manual (FReM)* issued by the Department of Finance and Personnel (DFP). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Council for the Curriculum, Examinations and Assessment (CCEA) for the purpose of giving a true and fair view has been selected. The particular accounting policies that have been adopted in the preparation of these financial statements are detailed below. They have been applied consistently in dealing with items that are considered material to the accounts.

The Council has reviewed the standards, interpretations and amendments to published standards that became effective during 2010/11 and which are relevant to its operations. The Council anticipates that the adoption of these standards will have no material impact on its financial position or results of operations.

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Council's accounting periods beginning on or after 1 April 2011, but which the Council has not adopted early. The Council does not anticipate that the adoption of these standards will have a material impact on its accounts in the period of initial application.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention, modified by the revaluation of fixed assets, and where material, inventory to fair value as determined by the relevant accounting standard. Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, accounting standards issued or adopted by the International Accounting Standards Board and the accounting and disclosure requirements issued by DFP in so far as those requirements are appropriate. These accounts have been prepared in pounds sterling.

1.2 Recognition of Income and Funding

1.2.1 Government Grants

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

1.2.2 Revenue Grants

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

1.2.3 Examination Fee Income

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

1.3 Property, Plant and Equipment

Items of property, plant and equipment which are held for use on a continuing basis in delivering the reporting entity's activities, and which yield a benefit for a period of more than one year, are capitalised at their cost of acquisition and installation. The level for capitalisation as an individual item of property, plant and equipment has been applied for the current year at £3,000. Prior to 1 April 2009 the level for capitalisation was £1,500, applied to both individual or grouped items of property, plant and equipment.

CCEA does not own any land or buildings.

1.4 Intangible Assets

Intangible assets are non-financial fixed assets that do not have physical substance but are identifiable and are controlled by CCEA through custody or legal rights. Intangible fixed assets are capitalised and stated in the statement of financial position at fair value (amortised cost less any accumulated impairment losses). The level for capitalisation as an individual intangible asset has been applied for the current year at £3,000. Prior to 1 April 2009 the level for capitalisation was £1,500, applied to both individual or grouped items of intangible assets.

1.5 Depreciation

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

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

Computer hardware - 3 years

Computer software - 3 years

Office equipment - 7 years

Fixtures and fittings - 10 years

Plant and machinery - 15 years

Prior to 1 April 2009 all items of property, plant and equipment were depreciated on a straight line basis over a useful life of 4 years.

1.6 Amortisation

Amortisation is provided on software licences from the month they are brought into service. In order to write off the value, less estimated residual value of each asset, software licences are amortised on a straight line basis over their expected useful lives. In line with the computer software to which they relate, software licences are deemed to have useful lives of 3 years. Prior to 1 April 2009 all intangible assets were amortised on a straight line basis over a useful life of 4 years.

1.7 Finance and Operating Leases

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

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

1.8 Inventories

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

1.9 Work in Progress

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

1.10 Employee Benefits

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

1.11 Pensions

CCEA participates in the following two pension schemes:

1.11.1 The Teachers' Superannuation Scheme (TSS)

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

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

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

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

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

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

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

1.12 Taxation

CCEA is not liable to pay corporation tax on income it receives.

A small part of the activities of CCEA, mainly those associated with the Multimedia Unit, falls within the scope of VAT. With the exception of expenditure directly related to these activities, VAT is not reclaimable by CCEA and so, in these cases, expenditure in the accounts is inclusive of VAT.

1.13 Removal of Notional Capital Charge

For comparative purposes the prior year figures have been restated to exclude the prior year cost of capital credit of £320,556 and reversing charge in respect of same of £320,556. The adjustment does not impact on the General Reserve figure carried forward as at March 2010. As the prior year adjustment does not affect the Statement of Financial Position it has not been necessary to re-state the comparative figures on this statement; therefore it has not been necessary to provide 2 sets of comparative figures as is normally required under IAS 8.

In prior years, in accordance with DFP guidelines, notional interest was charged on the basis of 3.5% of the average value of capital employed by CCEA less interest already paid. Capital employed is defined as total assets less total liabilities.

1.14 Provisions

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

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

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

1.15 Foreign Currency Transactions

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

1.16 Early Departure Costs

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

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

1.17 Reserves

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

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

2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

CCEA's financial performance is organised and managed at directorate level. The chief operating decision maker in CCEA is the Top Management Team (TMT) which currently consists of the Interim Chief Executive Officer, director of Qualifications, director of Education Strategy and director of Corporate Services. Monthly financial reports detailing directorate revenue, expenditure and capital expenditure against budget and prior year are provided to TMT and budget holders. Information on directorate assets and liabilities is not separately identified. The five directorates operating in the 2010/11 financial year are Chief Executive, Corporate Services, Education Strategy, Qualifications and Financial Services.

Interim Chief Executive

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

Corporate Services

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

Education Strategy

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

Qualifications

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

Financial Services

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

CCEA's financial position at the year ended 31 March 2011 is analysed across directorates as follows:

	Chief Executive £(000's)	Education Strategy £(000's)	Qualifications £(000's)	Corporate Services £(000's)	Financial Services £(000's)	Unallocated £(000's)	Total £(000's)
Expenditure	2,416	4,917	13,995	6,075	419	–	27,822
Income	(655)	(125)	(8,690)	(99)	–	–	(9,569)
Net expenditure after interest	1,761	4,792	5,305	5,976	419	–	18,253

3 INCOME	2011	2010
INCOME FROM ACTIVITIES	£	£
Research and development	60,439	37,104
Examination fees	8,654,547	8,317,083
Other activities	854,129	1,048,156
Income from activities is shown net of Value Added Tax (VAT)	<u>9,569,115</u>	<u>9,402,343</u>

4 STAFF NUMBERS AND RELATED COSTS

Staff Costs comprise:

	Permanent staff/FTC*	Temporary staff	Total	Total
	2011	2011	2011	2010
Wages and salaries	10,681,878	650,888	11,332,766	11,305,921
Social Security costs	880,883	26,418	907,301	878,330
Pension costs	(2,167,765)	-	(2,167,765)	1,156,662
Reorganisation and Redundancy Costs	1,181,886	-	1,181,886	-
TOTAL	<u>10,576,882</u>	<u>677,306</u>	<u>11,254,188</u>	<u>13,340,913</u>

* Fixed Term Contract

Average Number of Persons Employed

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

	Permanent staff/FTC	Temporary staff	Total	Total
	2011	2011	2011	2010
Directly Employed	356	88	444	420
TOTAL	<u>356</u>	<u>88</u>	<u>444</u>	<u>420</u>

5 PENSION COMMITMENTS

5.1 a) Teachers' Superannuation Scheme

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

For 2010/11, the contribution rates were 13.6% employers and 6.4% employees.

Contributions for the year:	2011	2010
	£	£
Employers	377,222	366,600
Employees	177,517	172,517
Total	<u>554,739</u>	<u>539,117</u>

b) Northern Ireland Local Government Officers' Superannuation Committee Scheme

CCEA participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme) for 220 of its employees. The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent, professionally qualified actuary on the basis of regular valuations using the projected unit method. The results of the most recent valuation, which was conducted at 31 March 2010, were as follows:

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

In April 2009, NILGOSC introduced a banding scheme for employee contribution rates, based on pensionable pay. These rates have not changed since April 2009 and are as follows:

Band	FTE Range (£)	Contribution Rates
1	0-12,600	5.5%
2	12,601-14,700	5.8%
3	14,701-18,900	5.9%
4	18,901-31,500	6.5%
5	31,501-42,000	6.8%
6	42,001-78,700	7.2%
7	more than 78,701	7.5%

In 2010/11, the employer's contribution rate was 17%, (16% in 2009/10).

The surplus is being amortised over the average remaining service life of the current membership, a period of approximately 9 years.

Contributions for the year:

	2011 £	2010 £
Employers	1,033,126	924,965
Employees	405,162	383,535
Total	<u>1,438,288</u>	<u>1,308,500</u>

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

	2011 £(000's)	2010 £(000's)
Present value of funded liabilities	(30,546)	(37,375)
Fair value of plan assets	25,917	22,259
Net (under)/overfunding in funded plans	(4,629)	(15,116)
Present value of unfunded obligations (Note 14)	(713)	(815)
Net liability – total non-current liability	<u>(5,342)</u>	<u>(15,931)</u>
Amounts in the statement of financial position		
Liabilities	(5,342)	(15,931)
Assets	-	-
Net liability	<u>(5,342)</u>	<u>(15,931)</u>

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

	2011	2010
	£(000's)	£(000's)
Opening defined benefit obligation	38,190	21,453
Current service cost	1,170	520
Interest cost	1,967	1,496
Contributions by members	407	380
Actuarial (gains)/losses	(6,091)	14,771
Estimated unfunded benefits paid	(42)	(41)
Past service (gains)/costs	(3,721)	230
Estimated benefits paid	(621)	(619)
Closing defined benefit obligation	<u>31,259</u>	<u>38,190</u>

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

	2011	2010
	£(000's)	£(000's)
Opening fair value of employer assets	22,259	15,049
Expected return on assets	1,651	1,019
Contributions by members	407	380
Contributions by employer	1,033	925
Contributions in respect of unfunded benefits	42	42
Actuarial gains	1,188	5,504
Unfunded benefits paid	(42)	(41)
Benefits paid	(621)	(619)
	<u>25,917</u>	<u>22,259</u>

As a result of the full actuarial valuation at 31 March 2010, employer contributions of 18% are to be made in 2011/12 in order to reduce the deficiency of the scheme.

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

	2011	2010
	%	%
Equities	77%	77%
Bonds	14%	14%
Properties	6%	6%
Cash	3%	3%

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

	2011	2010
	%	%
Discount rate	5.5%	5.5%
Expected return on plan assets	6.9%	7.2%
Future salary increases	5.1%	5.3%
Future pension increases	2.8%	3.8%

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

	2011	2010	2009	2008	2007
	£(000's)	£(000's)	£(000's)	£(000's)	£(000's)
Fair value of employer assets	25,917	22,259	15,049	19,023	19,381
Present value of defined benefit obligation	(31,259)	(38,190)	(21,453)	(21,960)	(25,555)
Deficit	(5,342)	(15,931)	(6,404)	(2,937)	(6,174)
Experience adjustments on plan assets	1,188	5,504	(5,942)	(2,058)	(218)
Experience adjustments on plan liabilities	2,998	82	(10)	964	(809)
Actuarial gains/(losses) on employer assets	1,188	5,504	(5,942)	(2,058)	(218)
Actuarial gains/(losses) on obligation	6,091	(14,771)	2,310	5,495	(4,155)
Actuarial gains/(losses) recognised in statement of changes in taxpayers' equity	7,279	(9,267)	(3,632)	3,437	(4,373)

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

	2011	2010
	£	£
Current service cost	1,170,000	520,000
Interest on obligation	(1,651,000)	(1,019,000)
Expected return on assets	1,967,000	1,496,000
Past service cost/(gain)	(3,721,000)	230,000
Contributions by employer	(1,033,126)	(924,965)
Contributions in respect of unfunded benefits	(42,184)	(42,591)
Net cost/(gain)	<u>(3,310,310)</u>	<u>259,444</u>

Please note that, following the Chancellor's budget statement on 22 June 2010, actuarial calculations are now based on future pension increases being linked to the Consumer Prices Index (CPI) and not the Retail Prices Index (RPI). The effects of this change comes through in 2011 as a negative past service cost of £3,721,000 in the statement of comprehensive net expenditure.

5.2 Early Departure Costs

Lump sum payments during the year relating to early departures amounted to £0 (2010 £10,535).

Annual costs relating to early departures in previous years that are met by CCEA currently amount to £42,184. These annual costs will continue in line with pension payments and are index linked.

	2011	2010
	£	£
Provision for liabilities and charges	713,000	815,000

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

6 OTHER EXPENDITURES

	2011 £	2010 £
Examiner and teacher costs	6,553,841	6,876,140
Premises and equipment	2,627,595	2,774,832
Supplies and services	2,224,340	2,621,893
Substitute teacher costs	1,935,125	2,274,445
Printing costs	1,910,166	1,684,720
Distribution costs	445,763	431,365
Transport and travel costs	205,557	266,305
Council fees and expenses	17,081	19,273
Loss on disposal of property, plant and equipment	-	-
	<u>15,919,468</u>	<u>16,948,973</u>

During the year CCEA purchased the following non-audit services from its auditor, the Northern Ireland Audit Office:

	2011 £	2010 £
National Fraud Initiative	2,912	-

7 PROPERTY, PLANT AND EQUIPMENT 2010/11

	Computer Hardware £	Computer Software £	Office Furniture & Equipment £	Plant & Machinery £	TOTAL £
COST OR VALUATION					
At 1 April 2010	1,715,586	356,764	1,355,497	29,413	3,457,260
Reclassification	22,373	9,251	(22,141)	-	9,483
Indexation	(7,309)	(947)	(44,942)	(59)	(53,257)
Additions	34,651	-	18,232	-	52,883
Disposals	-	-	-	-	-
At 31 March 2011	1,765,301	365,068	1,306,646	29,354	3,466,369
ACCUMULATED DEPRECIATION					
At 1 April 2010	1,373,795	342,494	1,055,341	26,381	2,798,011
Reclassification	-	2,211	206	27	2,444
Indexation	(14,773)	(1,150)	(32,090)	(36)	(48,049)
Charge for period	249,977	18,057	37,539	251	305,824
Depreciation eliminated on disposal	-	-	-	-	-
At 31 March 2011	1,608,999	361,612	1,060,996	26,623	3,058,230
NET BOOK VALUE					
At 31 March 2010	341,791	14,270	300,156	3,032	659,249
At 31 March 2011	156,302	3,456	245,650	2,731	408,139

Property, plant and equipment have been re-indexed at 31 March 2011 using the indices from the Office for National Statistics, and the overall loss of £5,208 (2010: gain £68,516) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2011.

7 PROPERTY, PLANT AND EQUIPMENT 2009/10

	Computer Hardware £	Computer Software £	Office Furniture & Equipment £	Plant & Machinery £	TOTAL £
COST OR VALUATION					
At 1 April 2009	1,776,253	683,730	1,342,510	29,203	3,831,696
Indexation	132,671	19,112	8,065	210	160,058
Additions	137,937	4,247	72,548	-	214,732
Disposals	(331,275)	(350,325)	(67,626)	-	(749,226)
At 31 March 2010	1,715,586	356,764	1,355,497	29,413	3,457,260
ACCUMULATED DEPRECIATION					
At 1 April 2009	1,273,108	632,202	1,085,143	26,043	3,016,496
Indexation	73,030	12,318	6,101	93	91,542
Charge for period	358,933	48,299	31,722	245	439,199
Depreciation eliminated on disposals	(331,275)	(350,325)	(67,626)	-	(749,226)
At 31 March 2010	1,373,796	342,494	1,055,340	26,381	2,798,011
NET BOOK VALUE					
At 31 March 2009	503,145	51,528	257,367	3,160	815,200
At 31 March 2010	341,790	14,270	300,157	3,032	659,249

Property, plant and equipment have been re-indexed at 31 March 2010 using the indices from the Office for National Statistics, and the overall gain of £68,516 (2009 loss of £13,109) after depreciation was transferred to the revaluation reserve. All tangible assets were owned by CCEA at 31 March 2010.

8 INTANGIBLE ASSETS 2010/11

	Software Licences
	£
COST OR VALUATION	
At 1 April 2010	337,210
Reclassification	(9,252)
Indexation	(338)
Additions	32,820
Disposals	-
At 31 March 2011	<u><u>360,440</u></u>
ACCUMULATED DEPRECIATION	
At 1 April 2010	293,853
Reclassification	(2,213)
Indexation	(1,027)
Charge for year	26,935
Depreciation eliminated on disposal	-
At 31 March 2011	<u><u>317,548</u></u>
NET BOOK VALUE	
At 31 March 2010	<u><u>43,357</u></u>
At 31 March 2011	<u><u>42,892</u></u>

Intangible fixed assets have been reindexed at 31 March 2011 using the indices from the Office for National Statistics and the overall gain of £689 (2010: gain of £8,800) after depreciation was transferred to the revaluation reserve. All intangible assets were owned by CCEA at 31 March 2011.

INTANGIBLE ASSETS 2009/10

	Software Licences
	£
COST OR VALUATION	
At 1 April 2009	313,863
Additions	-
Indexation	23,347
At 31 March 2010	<u><u>337,210</u></u>
AMORTISATION	
At 1 April 2009	213,770
Indexation	14,547
Charge for year	65,536
At 31 March 2010	<u><u>293,853</u></u>
NET BOOK VALUE	
At 31 March 2009	<u><u>100,093</u></u>
At 31 March 2010	<u><u>43,357</u></u>

9 OTHER FINANCE COSTS	2011	2010
	£	£
Net interest paid on NILGOSC pension scheme assets	<u>316,000</u>	<u>477,000</u>
	<u>316,000</u>	<u>477,000</u>

10 INVENTORIES	2011	2010
	£	£
Work in progress	-	-
Paper	-	6,543
Question papers	<u>-</u>	<u>26,108</u>
	<u>-</u>	<u>32,651</u>

The elimination in question papers inventory relates to CCEA's decision to allow the public to download a wide range of past papers online without charge. This is in line with CCEA's strategic aim of delivering 95% of products and services electronically and ties in with the current transition to new GCE and GCSE specifications. Stock of question papers has reduced to ten copies or less of each paper and is not being replenished. Stock of question papers as at 31 March 2011 has a negligible value and hence is shown at zero.

11 TRADE AND OTHER RECEIVABLES	2011	2010
	£	£
Trade receivables (see note below)	869,892	868,715
Provision for bad debts	(5,462)	[6,177]
Other receivables	3,983	17,926
Prepayments and accrued income	<u>1,509,051</u>	<u>1,571,693</u>
	<u>2,377,464</u>	<u>2,452,157</u>

ANALYSIS OF TRADE RECEIVABLES

Local Government	694,409	687,642
Central Government	156,519	87,265
	<u>850,928</u>	<u>774,907</u>
Intra Government Balances	18,964	93,808
Bodies External to Government	<u>869,892</u>	<u>868,715</u>

12 CASH AND CASH EQUIVALENTS	2011	2010
	£	£
Balance at 1 April 2010	8,169	575,001
Net change in cash and cash equivalent balances	<u>769,165</u>	<u>(566,832)</u>
Balance at 31 March 2011	<u>777,334</u>	<u>8,169</u>

	2011	2010
	£	£
The following balances at 31 March were held at commercial banks and cash in hand	<u>777,334</u>	<u>8,169</u>
Cash and cash equivalents as in the statement of financial position	<u>777,334</u>	<u>8,169</u>

13 TRADE AND OTHER PAYABLES	2011	2010
	£	£
Amount falling due within one year:		
Trade payables (see analysis below)	486	129,556
Taxes and social security	-	10
Other payables	13,210	15,770
VAT	14,765	12,125
Accruals and deferred income	<u>3,244,064</u>	<u>1,337,207</u>
TOTAL	<u>3,272,525</u>	<u>1,494,668</u>

ANALYSIS OF TRADE PAYABLES

Central Government Bodies	-	-
Local Government Bodies	-	-
Intra Government Balances	<u>-</u>	<u>-</u>
Bodies External to Government	<u>486</u>	<u>129,556</u>
TOTAL	<u>486</u>	<u>129,556</u>

14 PROVISIONS FOR LIABILITIES AND CHARGES

Unfunded pension liability provision £

Balance at 1 April 2010	815,000
Provided in the year	-
Provisions not required written back	(102,000)
Provisions utilised in the year	<u>-</u>
Balance at 31 March 2011	<u>713,000</u>

Analysis of expected timing of discounted flows:

Between 1 April 2011 and 31 March 2016	116,545
Between 1 April 2016 and 31 March 2021	271,395
Thereafter	<u>325,060</u>
TOTAL	<u>713,000</u>

Unfunded pension liability provision

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

15 LEASE COMMITMENTS

OPERATING LEASES

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

Obligations under operating leases for the following periods comprise:	2011	2010
	£	£
Buildings		
Not later than one year	998,160	977,365
Later than one year and not later than five years	2,951,760	3,196,705
Later than five years	3,597,300	4,193,281
	<u>7,547,220</u>	<u>8,367,351</u>
Other		
Not later than one year	82,275	80,142
Later than one year and not later than five years	29,045	95,792
Later than five years	-	-
	<u>111,320</u>	<u>175,934</u>

16 DEPARTMENT OF EDUCATION GRANT-IN-AID

	2011	2010
	£	£
Recurrent grant-in-aid	20,118,319	20,731,527
Capital grant-in-aid	82,199	185,415
	<u>20,200,518</u>	<u>20,916,942</u>

17 REVALUATION RESERVE	2011	2010
	£	£
At 1 April 2010	(62,167)	(139,483)
Indexation	(4,519)	77,316
At 31 March 2011	<u>(66,686)</u>	<u>(62,167)</u>

18 GENERAL RESERVE	2011	2010
	£	£
At 1 April 2010	(14,167,581)	(3,948,246)
Operating cost for the year	(18,253,300)	(21,869,278)
Actuarial gain/(loss)	7,279,000	(9,267,000)
Revenue grant-in-aid (Note 16)	20,118,319	20,731,527
Capital grant-in-aid (Note 16)	82,199	185,416
At 31 March 2011	<u>(4,941,363)</u>	<u>(14,167,581)</u>

19 OTHER FINANCIAL COMMITMENTS

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

20 RELATED PARTIES

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

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

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

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

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

During the year, none of the board members, members of the key management staff, or other related parties undertook any material transactions with CCEA, other than those disclosed in the Remuneration Report. A register of members' interests is available and can be inspected on application to the Chief Executive's Office.

21 FINANCIAL INSTRUMENTS

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

Liquidity Risk

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

Foreign Currency Risk

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

Interest Rate Risk

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

Credit Risk

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

22 EVENTS AFTER THE REPORTING PERIOD

The Council's Accounts were approved on the 27th June 2011 by the Vice Chairperson and Interim Chief Executive and authorised for issue by the Northern Ireland Audit Office on the 29th June 2011.



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