



# enriching lives

rewarding learning



**2005 - 2006**  
**ANNUAL REPORT AND ACCOUNTS**

***Northern Ireland Council for the Curriculum, Examinations  
and Assessment***

***Annual Report and Accounts  
2005/2006***

***Laid before the Houses of Parliament by the Department of Education  
in accordance with Paragraph 12(2) and (4) of the Schedule to the  
Northern Ireland Act 2000 and Paragraph 33 of the Schedule to the  
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### History

The Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA) was established on 1 April 1994. We are a Non-Departmental Public Body (NDPB) reporting to the Department of Education (DE).

### Our Mission

CCEA places learners and those who have a concern for their educational and personal development at the forefront of its thinking. CCEA's 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 schools and colleges.

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

**Awarding Qualifications** – offering a diverse range of qualifications, such as GCSEs, GCE A and AS levels, Entry Level Qualifications and Graded Objectives in Modern Languages.

### Our Values

**Integrity** – CCEA will ensure staff are open and honest, tell the truth, play by the rules, do not knowingly do anything wrong and do not allow themselves to be influenced to do otherwise.

**Quality And Excellence** – CCEA will endeavour to ensure staff deliver the very best products and services to customers, partners and stakeholders and seek ways to continuously improve.

**Social Responsibility** – CCEA will go beyond its statutory remit in respect of investment in its own staff and the contribution it makes to the community.

**Leadership** – CCEA will demonstrate exemplary leadership including 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** – CCEA will treat all of its people with respect; will recruit, reward and promote staff on the basis of merit; will provide good working conditions; and will help its staff to achieve a work/life balance.

**Customers, Partners and Stakeholders** – CCEA will meet the needs and expectations of its customers, keep its promises, secure full customer trust and will put things right when they go wrong.

### **CCEA Council Membership 2005–06**

*Chairman*

**Dr Alan Lennon** – Business Consultant

*Vice Chairman*

**Dr Anne Murray** – Principal of Oakgrove Integrated Primary School, Londonderry

**Miss Julie Bell** – Bell Management Services

**Mrs Dorothy Black** – Lecturer in teacher education at the University of Ulster, Coleraine

**Mr Brian Carlin** – Former Vice President of Shorts Bombardier plc, currently Chairman of CSA

**Mr Jim Clarke** – Deputy Chief Executive of the Council for Catholic Maintained Schools

**Mr James Collins** – Former General Manager with Ford Motor Company

**Mr John Ellison** – Commercial Manager for BT Northern Ireland

**Mr James Lee** – Deputy Principal of Castlereagh College

**Mrs Helen McClenaghan** – Chief Executive of the Southern Education and Library Board

**Mr David McKee** – Principal of Duke of Westminster High School, Kesh

**Dr Wilfred Mulryne** – Principal of Methodist College, Belfast

**Mrs Patricia O'Farrell** – Northern Ireland Teacher's Council

**Professor Peter Roebuck** – Provost, University of Ulster, Coleraine

**Mr David Thompson** – Formerly Principal of Regent House School, Newtownards

**Mr Brian Turtle** – Director and Chief Executive of the Belfast Institute of Further and Higher Education

**Miss Mae Watson** – Director of Academic and Information Services, Stranmillis College, Belfast

## Chairman's Review of Activities

It is difficult to look back on the year just past and not be immediately drawn to the impact of November's announcement on future arrangements for public administration in Northern Ireland.

CCEA fully supports the planned improvements to the running of the education service and looks forward to playing an integral role in the creation of the proposed Education and Skills Authority. In particular, between now and April 2008, I want to see the functions of this organisation fully embedded in the new body.

Despite the many uncertainties that come with such change, the CCEA management team will do its utmost to ensure our staff remain focussed on the many important tasks in hand.

High on that list is likely to be the implementation of the revised curriculum and assessment arrangements. CCEA, working closely with its educational partners, is committed to delivering the necessary levels of support and training to allow for a smooth transition to the revised arrangements. Failure to do so will potentially negate the hard work carried out since 1996 in developing and agreeing a world class curriculum for Northern Ireland.

A disturbing aspect of the past 12 months has been the ongoing attempts in some quarters to misrepresent CCEA's proposals on curriculum, assessment and the Pupil Profile. This has been both confusing and disappointing: confusing because the criticisms have come a full two years after our consultation closed and disappointing because the criticisms are largely based on a misunderstanding of what the new arrangements will actually entail.

In this highly charged atmosphere, it is more important than ever that CCEA continues to deliver a high quality examinations service.

During 2005-06, our portfolio of qualifications grew more diverse and comprehensive than ever. Business outside Northern Ireland rose to almost 35,000 entries and numbers taking CCEA examinations overall totalled more than half a million.

As our business grows, CCEA will work to ensure all of our exams and tests are marked, moderated, graded and awarded to the highest levels of professionalism. In achieving this goal, we will continue to rely heavily on the excellent support we receive from Northern Ireland's teachers.

Hand in hand with work to broaden our portfolio of qualifications is the ongoing modernisation of how we deliver and process examinations. In summer 2005, we successfully piloted on-screen marking in two GCSE subjects and considerably modernised our approach to the process of awarding grades by using computer modelling of grade boundaries.

## Chairman's Review of Activities (continued)

In the year ahead, CCEA will continue to push back the boundaries by further harnessing technology to enhance and improve the assessment process.

At this time of great change in the education service, CCEA needs to stay focussed on its strategic and operational goals.

In 2005-06 the organisation met the vast majority of its targets. Added to that, we were one of eight companies (CCEA being the only one from the public sector) to make the finals of the 2005 UK Business Excellence Awards. We were also reaccredited in both ISO 9001:2000 and Customer Charter.

In the various surveys we undertook with customers, stakeholders and staff, we consistently achieved high levels of satisfaction.

All of this is evidence of an organisation whose staff work tirelessly to ensure that our high levels of service are maintained and, where necessary, improved.

Under the Review of Public Administration, it is envisaged that CCEA will cease to be in April 2008. The coming year will see developments critical to the creation of the envisaged new authority. CCEA stands ready to play its part, ensuring essential services and plans are achieved while continuing to plan for the future.



Dr Alan Lennon  
Chairman

### ***Background Information***

The Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA) was established under the Educational and Libraries (Northern Ireland) Order 1993 on the amalgamation of the Northern Ireland Curriculum Council (NICC) and the Northern Ireland Schools Examinations and Assessment Council (NISEAC). The principal functions of CCEA are :

- to keep under review all aspects of the curriculum in grant-aided schools and examinations and assessment;
- to advise the Department of Education (DE) on matters concerned with the curriculum, assessment, examinations and external qualifications;
- to publish and distribute, or secure or assist the publication and distribution of, information relating to the curriculum, assessment and examinations;
- to carry out statutory consultations required by the Education Reform (Northern Ireland) Order 1989 in relation to the curriculum;
- to conduct examinations and assessments, and the moderation of relevant examinations and assessments, ensuring that standards are recognised as equivalent to the standards of examinations and assessments conducted by other bodies or authorities exercising similar functions elsewhere in the United Kingdom;
- to produce, secure or assist the production of, teaching materials for use in connection with the curriculum in grant-aided schools;
- to carry out such other activities as DE may direct in connection with its other statutory functions.

CCEA has prepared, and updates annually, a three year Corporate Plan which is submitted to DE for approval. The plan sets out clearly :

- CCEA's fundamental aim;
- its main objectives and priorities;
- financial assumptions; and
- the activities which it proposes to undertake in support of these objectives.

For each financial year, CCEA prepares a detailed costed Operational Plan and work programme to support the achievement of the objectives in the Corporate Plan. CCEA's Management Statement, agreed with DE, requires it to produce accounts on an accruals basis and to properly present the income and expenditure and cash flows for the financial year and the balances held at the year end.

## Financial Summary (continued)

### **Summary results**

CCEA's financial results for the year ended 31 March 2006 are summarised as follows :

	<b>2005-06</b>	<b>2004-05</b>
	<b>£000</b>	<b>£000</b>
Income	27,858	23,897
Expenditure	(27,671)	(23,924)
Surplus/(Deficit)	187	(27)
Other charges	(20)	(19)
	<u>167</u>	<u>(46)</u>

### **Changes in fixed assets**

The financial statements have been prepared in accordance with the historical cost convention as modified by the indexation and revaluation of fixed assets in line with the Government Financial Reporting Manual 2005-06. In prior years, in line with guidance contained in Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance 2004-05, the historical cost convention without modification due to the revaluation of assets was applied. The total capital expenditure for the year amounted to £316K.

### **Charitable donations**

CCEA made no charitable donations from its own funds during 2005-06.

### **Equal opportunity policy**

It is CCEA's aim to make the best possible use of its resources, especially its staff. It is committed to the merit principle in its recruitment and promotion processes. CCEA aims to comply with all relevant legislation and guidance on fair employment and equal opportunities, and aims to meet the legislative and other requirements in respect of disabled employees. CCEA aims to offer equality of opportunity for people with disabilities to make full use of the skills and abilities that they possess. Wherever possible, arrangements are made for the continued employment of persons who become disabled during service and for appropriate training, career development and promotion of disabled employees.

It is CCEA's policy to ensure, so far as it is reasonably practicable, the health, safety and welfare of all its employees in accordance with the relevant statutory requirements.

### **Action taken to maintain or develop provision of information and consultation with employees**

CCEA has a Joint Consultative and Negotiating Committee (JCNC) to regulate industrial relations and promote co-operation between management and staff within the organisation. CCEA organises regular organisation development sessions at which the Chief Executive and members of the Senior Management Team brief staff on major developments and obtain feedback. CCEA's intranet site and e-mail capabilities serve as information platforms for ensuring that staff are kept up-to-date with current and forthcoming activities and events.

## Financial Summary (continued)

### **Auditor**

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

The cost of work performed during 2005-06 was as follows :

	£
Audit Services	15,000
Further Assurance Services	–
Tax Services	–
Other Services	–
	<u>15,000</u>

The fee for audit services relates to the statutory audit of the financial statements and is included within "Other Operating Charges" in the income and expenditure account.

There were no non-audit services provided by the Principal Auditor.

### **Payment to Creditors**

CCEA is committed to the prompt payment of bills for goods and services received in accordance with the Better Payment Practice Code and British Standards BS7890 "Achieving Good Payment Performance in Commercial Transactions". Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later. During the year, 96% of invoices were verified, approved and paid within this standard. We will continue to make efforts to improve towards meeting the standard required.

### **Key financial targets**

A detailed report on CCEA's performance against all the measures contained within its costed Operational Plan for 2005-06 is available on the organisation's website.

### **Accounting Officer 2005-06**

Gavin Boyd, Chief Executive, held Accounting Officer responsibilities for CCEA during the 2005-06 financial year.

### 2005-06 Performance

CCEA completed this financial year within its allocated budget, with low variances against budget right across all Business Units. The organisation continues to provide about one third of its funding through examinations entries, the sale of past papers and the provision of education-based multimedia services. The remainder of the funding is provided through the Department of Employment and Learning and our sponsor, the Department of Education.

Improvements were made to our systems and procedures, with our ICT function being accredited with TickIT for software development and the organisation as a whole being reaccredited for ISO 9001. The organisation was also reaccredited with Charter Mark, proving full compliance in all 51 areas of the standard and having 11 of our operations recognised as best practice.

Significant progress was made in our curriculum development work, with the new curriculum receiving full approval from the Minister in February 2006 and pilots taking place to advance online marking and e-moderation.

Customer service levels have also improved, with subject microsites going live and the Examinations Administration Handbook going online for the first time. These and other developments in improving customer service have received a great response from our customers, with a 99.6% satisfaction rating from primary schools and 100% satisfaction rating from post-primary schools.

### Business Unit Reports

#### Curriculum, Assessment and Pupil Profile Unit

The Curriculum and Assessment Development Business Unit provides advice to CCEA's Council on curriculum matters and develops guidance and support to assist schools with curriculum implementation. To inform its development work the Unit works closely with the Pupil Profile Business Unit, and at the end of this reporting period the two formerly separate teams were merged. The Unit also works closely with other education partners to commission relevant research, set up and support pilot projects, develop a wide variety of support materials for schools and plan, with key stakeholders, the implementation strategy for the roll-out of the revised curriculum.

All targets set for the Unit were met, apart from some delay in developing an appropriate structure, look and feel of the Curriculum, Assessment and Pupil Profile sections of the CCEA website so that materials can be published online. Highlights include the following:

##### ***Approval of the Foundation Stage***

The vast majority of CCEA's curriculum and assessment proposals received Ministerial approval in June 2004, but the Minister indicated that he would await further evaluation of the outcomes of the enriched curriculum for P1 and P2 and also an assessment of the costs of implementation of the proposed new Foundation Stage. In February 2006, then-Education Minister Angela Smith confirmed that the new Foundation Stage had been provided for in the draft Education NI Order.

##### ***Research and Evaluation***

To inform its advice, the Business Unit commissions a range of research and evaluation projects. During the period, the Unit extended its research and evaluation on the enriched curriculum (referred to above) for a further two years. It has also published interim research in Local and Global Citizenship being undertaken by the University of Ulster UNESCO Centre and supported the dissemination of research into Primary Movement undertaken by Dr Martin McPhillips at Queen's University. In addition, CCEA has continued its working partnership with Professor Carol McGuinness of Queen's University in the area of Thinking Skills and Personal Capabilities.

##### ***Strategic Partnerships***

CCEA, together with its educational partners in the Partnership Management Board (PMB), co-developed an agreed strategy to support the implementation of the revised curriculum, which was launched to key stakeholders in September 2005 and to principals of primary and post-primary schools between November and March 2006. During this period, the PMB established a number of Key Stage and cross-phase groups to undertake detailed planning and development work to support the roll-out. Much of the development work has now been completed and supporting documentation is undergoing editing and design in preparation for publication and dissemination.

In addition to its work with PMB, the Unit has continued to forge practical partnerships in schools, trialling various approaches and materials to ensure that they are meaningful, manageable, and develop teacher expertise. These trials

also produce valuable case studies for later, wider dissemination. So that pupils and teachers can benefit from the motivational learning and assessment capabilities of new technologies, the Unit has also used key providers of digital and 3D software and interactive diagnostic assessment systems to customise these for use in Northern Ireland schools.

### ***Pupil Profile***

The Department of Education has commissioned CCEA to develop and trial a Pupil Profile. The primary purpose of the Pupil Profile is to provide teachers and parents of pupils in all years with dependable information about their progress.

During 2005-06 considerable work was undertaken to develop the design and content of the Pupil Profile. A key part of this work was a trial carried out in 20 schools. The feedback from both teachers and parents was in the main positive. This feedback has been posted on the CCEA website.

Work in the coming year will involve a wider trial with almost 100 schools with the focus on the manageability of the profile.

### **Qualifications and Skills Accreditation and Policy Unit**

This Business Unit is responsible for the regulation of qualifications and the development of qualification and skills policy, in particular for 14-19 education.

This year CCEA, in collaboration with its partner regulators in England (QCA) and Wales (DELLS), reviewed the accreditation processes for the admission of qualifications to the National Qualifications Framework (NQF). The accreditation criteria were reviewed to ensure transparency and coherence. This was followed by streamlining of the accreditation process; for vocational qualifications, a fast-track five-day electronic procedure was introduced. Planning is well advanced for introducing a web-based accreditation. To support these accreditation changes, the nature and scope of the regulatory authorities' monitoring procedures were reviewed. The result is a focus on ensuring that awarding bodies have adequate risk management systems in place.

A major review of vocational qualifications is currently underway. This is a UK-wide initiative and supports CCEA's aim of ensuring that qualifications provision in Northern Ireland meets the needs of learners and users. Central to the review is the development of a Framework for Achievement (FfA), which will support greater flexibility and access to qualifications than is the case with the current NQF. CCEA has worked with QCA and DELLS to draw up the technical specifications for the FfA - these will be tested and trialled over the next two years.

We've also developed a number of new qualifications to support the greater flexibility being introduced to the Key Stage 4 curriculum. Occupational Studies units provide an opportunity for 14-16 year olds to gain a better appreciation of working life. A wide range of occupations are covered, and the nature of the assessment aligns with the work-related nature of these qualifications. Essential Skills qualifications covering Entry Level and Levels 1 and 2 for Communication and Application of Number are now accredited within the NQF. These qualifications support the Government's skills agenda, in particular the need to address adult difficulties with numeracy and literacy.

Development of the Progress File (PF) for schools is now complete. From 2006-07, the PF will replace the NRA as the means used by young people to record their achievements and to plan their future learning. PF pilots are now underway in colleges and training organisations to enable continuity in provision within a lifelong learning context.

### **Examinations Unit**

#### ***Optimising Technology to Improve Technical Operations and Customer Service***

2005-06 was another very busy year for the Unit, with first awards in a range of GCSE and GCE Applied subjects. The year also brought changes through the restructuring of Education Services, as the responsibility for the Test Unit and Examinations Technical Support passed to the new Operations Support Business Unit. Internal restructuring led to the appointment of a Technical Manager and the creation of four subject sectors.

#### ***Technical Update and Computer Aided Awarding***

More than 340,400 candidates received GCSE and GCE results following the June 2005 examination series. The latter involved the setting of 418 examination papers, marking of scripts by 2,063 examiners, 415 standardising meetings and 113 awarding meetings. Awarding was greatly enhanced by the implementation of Computer Aided Awarding software, designed by CCEA's ICT Business Unit. This enabled more efficient modelling of awards and aggregation of outcomes.

#### ***Subject Microsites – Working in Partnership with CCEA Multimedia***

New subject microsites were launched, each making optimum use of technology to provide a better service to customers. The Languages (French, Irish, Spanish, and German) microsite includes the use of audio material to exemplify standards required in the speaking element of the specification while the Applied Business microsite uses video links to showcase 'best in class' businesses.

#### ***On-screen' Marking and E-moderation Pilots***

Over 5,000 scripts in GCSE ICT and GCSE English Literature were marked from computer image, with extremely high levels of success in both accuracy of marking and examiner feedback on ease of use. A second pilot in on-screen marking is currently underway for the 2006 series as is an initial pilot in e-moderation.

#### ***Performance Indicators***

A new bonus incentive scheme for Chairs of Examiners and Chief Examiners was introduced in April 2005. The scheme is based on performance criteria in relation to the management of timely delivery of accurate question papers, supervision and monitoring of examiners, continuous improvement and change, especially the movement towards electronic reporting.

### **Operations Support Unit**

A new Business Unit, Operations Support came into being in September 2005. This new Business Unit was established to provide enhanced operations support throughout CCEA and in particular to the Assessment and Skills and the Examinations Business Units. This new Unit will ensure enhanced quality management and greater coordination and integration during a period of modernisation. To this end, the Distribution, Examinations Support and Administration, Qualifications Support, Research and Statistics, Technical Support and Test Unit Teams have been brought together within a coherent structure.

During 2005-06, the following points are noteworthy in relation to the work of the Teams:

#### ***Distribution Team***

All general monthly dispatches and special dispatches were issued on schedule. All Question papers, exams stationery, invigilator diaries and results were issued on schedule for all series of examinations. A new electronic stock control system was developed and is now operational. And 800 customer requests and orders were processed and dispatched within 14 days of receipt.

#### ***Examinations Support and Administration Team***

Approximately 700 meetings, residentials and support events were organised and supported by documentation and other materials. Specifications, support and exemplification materials, chief examiner reports and curriculum resources were produced on schedule. And the administration for records of achievement and for 105 malpractice cases were completed on schedule.

#### ***Qualifications Support***

Planning is underway for the revision of GCE Specifications for first teaching in September 2008.

The annual support programme has been agreed and is being implemented. The QDS newsletter was issued on schedule. Recent issues have been approved by the Plain English Campaign.

#### ***Research and Statistics Team***

The Team is currently undertaking 46 research projects in addition to statistical analysis and reports for internal and external customers. All milestones and targets have been met within agreed timescales and within budget.

#### ***Technical Support Team***

During 2005, 407 awards were made and checked as error free. Over 1,000 examination equivalence queries were received during the year and answered within five working days of receipt.

#### ***Test Unit***

In Summer 2005, a total of 473 GCE/GCSE papers and mark schemes were produced on schedule.

Papers and mark schemes were produced on schedule for other examinations including the Transfer Test, Key Stage 3, Entry level, GOML, ACETS, Key Skills and Essential Skills.

In total, 183 additional papers were produced in 2005. And a software planning system is now operational to assist with the management of question paper development and production.

### **Assessment Operations Unit**

The Assessment Operations Business Unit had a very successful first year during 2005-06. All assessments were conducted efficiently and all results were issued on schedule.

#### ***Key Stage Assessments***

Following the disruption to the Key Stage 1 and 2 assessments in 2004-05, as a result of union action, this year all assessments were undertaken as normal.

#### ***KS2 and KS3 ICT Accreditation Scheme***

The number of primary schools registered in the Key Stage 2 scheme has increased (543 schools this year and an estimated 16,000+ entries compared to 361 schools and 11,805 in 2005). Similarly, the Key Stage 3 scheme grew from 174 to 184 schools, with entries up from 18,900 to 19,500. New assessment criteria and additional tasks were also developed to support this qualification.

#### ***Transfer Test***

Despite inclement weather on the day of the first test and fears that the postal strike in Belfast would disrupt the issue of results, the 2005 tests were undertaken as normal and the results were issued without delay. There were two upgrades following appeal. There was a substantial reduction in the number of candidates entered for the supplementary test.

#### ***Entry Level Certificates***

Awards were made in 31 Entry Level specifications during summer 2005. All centres were invited to agreement trials during autumn 2005.

#### ***Graded Objectives in Modern Languages (GOML)***

The 2005-06 winter series of GOML tests were error-free and completed on schedule. Candidate entries for the winter series in 2005 were as follows: school-based entries totalled 2,530 and Continuing Education entries totalled 622. We estimate that entries for the summer 2006 series will total approximately 10,700.

#### ***Key Skills***

The June, August, November and January tests were error-free and completed as scheduled. Monitoring of accredited centres began in autumn 2005. A trial of ICT e-assessment items in eight centres commenced in September 2005 and is due for completion in June 2006.

### ***Online Basic and Key Skills***

Centres continued to take the Basic and Key Skills examinations online, and this year statements of results and certificates were issued to approximately 250 learners.

### ***Essential Skills***

The delivery of Essential Skills at Entry Level is ongoing, with moderation available on demand. Entries show a slight growth from 2005. In 2005-06, Adult Literacy certificates were awarded to 1,988 adult learners (1,900 in 2004-05), and Adult Numeracy certificates have been awarded to 1,491 adult learners (1,420 in 2004-05). Sixteen new tasks were developed for first teaching from September 2005.

The regulatory authorities' evaluation report of the Level 1 and 2 pilot, issued in late summer 2005, was extremely positive. To date, Level 1 and 2 Adult Literacy certificates have been awarded to 1,108 adult learners, and Level 1 and 2 Adult Numeracy certificates have been awarded to 466 adult learners. Twelve new tasks and 36 action-based activities were developed for teaching during autumn 2005.

Extensive training continues to be provided for tutors, and moderation on demand is ongoing. The CCEA Essential Skills centre accreditation scheme was also launched, and the system became operational in January 2006.

### ***Occupational Studies***

The Occupational Studies candidature continues to grow. In 2005-06, there were 139 centres (including all 16 Colleges of Further and Higher Education), with a projected figure of 166 for September 2006. The winter and summer series of moderation were completed on schedule. There were also 536 cash-ins for Single Award in summer 2005 and 602 cash-ins for Double Award in summer 2005.

Additional moderators were appointed, and they shadowed experienced moderators during the summer 2005 series. We've also continued to roll out exemplar materials on schedule.

Two new occupational areas were introduced in September 2005: Care and Horticulture. Within Digital Technology, two extra units were introduced and one tiling unit was added to the Construction vocational area.

### ***Certificate in Personal Effectiveness***

The CCEA Level 3 Certificate of Personal Effectiveness was introduced for first teaching from September 2005, and it attracted a significant amount of interest. Forty centres from across the various education sectors attended a CCEA briefing event in January 2006. The qualification has attracted 70 UCAS points.

## **Examinations and Assessment Administration Unit**

### ***Overview***

For the third successive year, the Examinations and Assessment Administration Business Unit met all of its operational targets and deadlines.

As in the previous year, continuous development of the AS400 database and further improvements and refinements to processes reduced the Unit's risk of

## Management Commentary (continued)

service delivery failure at a time when volume activity continued to increase and the specification portfolio expanded.

Following on from the restructuring of the three Examinations Administration teams in 2004-05, this year's focus was on restructuring the Assessment Administration team to create a three team model.

The focus in 2006-07 will be on modernisation of systems for examination administration and work towards an administrative interface system with other awarding bodies.

The Examinations and Assessment Administration Unit is now well positioned to support the Examinations Operations and the Assessment Operations Units as they develop and introduce new processes and procedures that may emerge from the CCEA Modernisation Programme.

Some team highlights from the year include:

### ***Centre and Examiner Support Team***

*Special Requirements Section* – as predicted, requests for Access Arrangements and Special Consideration rose in 2005 on the previous year. All requests were completed accurately and on time.

*Centre Support Section* – the Examinations Administration Handbook was made available as an online, locally printable document for the first time. And in collaboration with the National Assessment Agency and the major awarding bodies, the CCEA examinations timetable is now available online for download by candidates and centres as a personalised, consolidated document.

*Appointments Section* – almost 4,000 examiners, moderators and invigilators were recruited, appointed and trained in 2005.

### ***Examinations Processing***

Over 940 GCE and GCSE examinations meetings were arranged, notifications issued and materials provided for meetings.

### ***Moderation Section***

Over 3,500 pieces of coursework were moderated and support, and materials were provided to over 120 briefing meetings and 100 post-moderation meetings.

*Script Processing* – the team manually processed in excess of 500,000 scripts.

*Post Results Services* – 5,190 requests for Enquiry about Results were processed accurately and on time. 2,858 requests for Access to Scripts were processed accurately and on time.

*Transfer Test Processing* – 15,255 test papers were marked within procedure and timescales, and results were issued to ELBs. 1,138 re-mark requests were received, with two grade changes made.

### ***Entries, Results and Certification Team***

*Entries Section* – all CCEA GCE and GCSE grade boundaries have been published on [www.ccea.org.uk](http://www.ccea.org.uk).

### ***Assessment Administration***

Assessment Administration was created in December 2005.

Entry Level qualifications were completed successfully as was processing for all Key Stage 3 tests and teacher assessments.

All candidate record sheets were made available for download on the CCEA website.

### **CCEA Multimedia Unit**

The Multimedia Unit provides a range of learning support resources through web development, print-based production, video and DVD production, editorial and copyright.

### ***Activities and Achievements 2005-06***

Planning for the support of curriculum implementation has been a key responsibility this year with 30 key products required for September 2006. We developed the first in a series of DVD videos to help introduce the implementation phase of the revised curriculum.

Examination support via the microsites has been very successful, with the introduction of Poetry Anthologies, Art and Design, History of Art and Design, Moving Image Arts, English, English Language, Journalism, and even World Cup German microsites, to name a few.

Recently, we received nominations at the Education Resource Awards for three of our productions - Poetry Anthologies, the Shop Around website ([www.shoparound.org.uk](http://www.shoparound.org.uk)) and the Shop Around Pack. The Shop Around resources were developed in partnership with the General Consumer Council. This year we also launched the Exploring Trad DVD-Rom in partnership with the Arts Council.

And we have continued to innovate by introducing online assessment and examinations for Graded Objectives in Modern Languages (GOML) and GCE A2 in Moving Image Arts, meeting and exceeding our target as set out in the Operational Plan.

Going forward, our four key focuses will be: supporting curriculum and assessment implementation, supporting the revision of specifications, the CCEA website, and partnership productions.

### **Finance and Management Information Unit**

During 2005-06 a number of changes were made to enhance the control environment for CCEA and focus on customer service.

The two distinct teams of Finance and Management Information have now been merged into one team, and the foundation is being laid to allow multi-skilling and to strengthen the cross-functional bonds within the team.

We have increased our number of qualified accountants from two to three, with the aim of increasing this to four within the next 18 months. We have continued to develop the Coda financial system introduced last year, adding a stock management module that integrates People Services' human resources system with our payroll system.

The aim for this team going forward is to settle into its new structure, to further reinforce its control environment and to focus on providing an improved customer service for the organisation through value added activities.

### **ICT Business Unit**

The ICT Business Unit is instrumental in delivering corporate themes. These include optimising the use of technology and managing delivery, accountability and quality. The Unit's mission statement is:

*'to develop and support CCEA ICT-based business systems, thus enabling and empowering staff to achieve our corporate objectives'*

#### **ICT Quality Assurance**

ICT uses the EFQM business excellence model to continually drive improvement in product and service delivery. To ensure a robust approach is taken to improvement, the Unit undergoes independent external assessments and accreditation in all areas of work. For example, ICT is accredited under TickIT for software development and both BS7799 and FAST for service support. It also was assessed under EFQM and received a score of 415.

This approach to improvement also extends to the Unit's key resource: staff. Each member of staff must be a member of a recognised and appropriate professional body (such as British Computer Society (BCS), the Institute of Analysts and Programmers, or the Institute of Electrical Engineers (IEE)), and each must engage in ongoing professional development programs.

#### **Business Solutions**

Over 85% of staff in ICT are deployed in software development.

ICT has successfully completed all priority-one software requests in each of the three software releases this year, comprising over 100 major developments including Grading Algorithms Optimisation, Computer Assisted Awarding and Occupational Studies.

### ***Service Support***

All targets for systems up-time for AS400, servers and applications such as email, internet and desktop services have been exceeded. Limited mobile and remote computing has been implemented and the deployment will increase if business requires it.

The Customer Care Desk satisfied over 3,000 calls. This is a reduction of 4% from the previous year. However, this is expected to grow again in the coming year due to restructuring, re-locations and more distributed staff.

### **Business Assurance Unit**

The Business Assurance Unit drives continual improvement across all aspects of CCEA's business. It provides confidence to the Chief Executive that CCEA's systems and processes are working effectively and continuously improving. The Unit takes an independent view of the organisation's performance and monitors and reports on this. During the reporting period, all targets for the Unit were met or exceeded. This Unit's highlights can be found in the Statement of Internal Control section of this document.

### **MarComms Unit**

MarComms plays a central role in influencing and managing the development and delivery of CCEA's policies, products and services while promoting superior customer service.

#### ***MarComms Strategy and Operational Plan Success***

For the second year, the strategy successfully supported the delivery of both the Corporate Plan and also the Operational Plan, with 22 out of 23 targets set within the MarComms operational plan achieved.

#### ***Business Development and Market Share***

In 2005-06, MarComms introduced business development workshops for those with responsibility for specification development and increasing the customer base. These focused on the principles of business strategy development, customer management and marketing planning.

#### ***Events Management***

CCEA carried out an annual support programme comprising 83 events with 2,000 attendees. The events programme recorded a customer satisfaction rating of almost 100%, maintaining the same positive customer care experience as the previous year.

The CCEA *True Colours* art and design exhibition attracted almost 8,000 visitors and the Score music concert was held in the Waterfront Hall with a capacity audience of 300.

*Celebrating Excellence*, CCEA's GCSE and GCE ceremonies recognising top students, now regularly attracts principals, top students and parents from our customers, including those in England.

## Management Commentary (continued)

### ***Promotional Events***

The team coordinated nine exhibitions and conferences throughout Northern Ireland, from major Further Education conferences to careers events and Special Needs forums.

MarComms also coordinated product launches. Worth particular note were: Progress File Case Studies, the Learning Outdoors resource, the Ready Set Go Mathematics resource, the Languages are Child's Play DVD and the CoPE qualification.

### ***Customer Satisfaction Research***

CCEA achieved a 99.6% overall satisfaction rating from primary customers and an impressive 100% from post-primary customers. Subsequent to the annual customer survey, an improvement action plan was developed and communicated both internally and externally to customers and stakeholders.

### ***Customer Relationship Management***

The project, initiated in this business year, has three priorities: a customer care training programme for all staff, including introduction of a Customer Care Code; improvements to the physical environment, including buildings, meeting rooms and reception areas; and development of a Customer ICT System to manage customer information.

### ***Internal Communications***

Encouraging dialogue throughout the organisation continues to be a key activity.

Key challenges in this business year have included the review of Education Services (for which a forum has been set up to keep information flowing to staff) and the Review of Public Administration. On this latter point, a series of staff meetings have taken place and, for the first time, video clips of a Q&A session with the Chief Executive were made available to all staff via CCEA's intranet site. In this year's staff survey, all measured internal communications showed an improvement, with 88% of staff saying CCEA does a good job of keeping them informed of important issues.

### ***Media Relations***

During the business year, 36 news releases were issued by the team. Campaigns of note included the issue of GCE and GCSE results, Transfer Test 2 going ahead despite the snow, and communications to deal with the postal strike in February.

MarComms monitors and records all CCEA-related media coverage. Positive coverage continues to be high at 89%. The target of 66% of planned messages successfully communicated was greatly exceeded, with 90% achieved.

### Examinations E-developments

#### *Onscreen Marking (Phase II) Summer 2006*

An onscreen marking pilot was initiated in late 2005 for delivery in summer 2006. The pilot comprised:

- GCSE ICT Higher Tier Papers 1 and 2 (approx 5,000 candidates, 10,000 scripts); and
- GCSE English Literature Foundation Tier (approx 700 scripts)

As well as consolidating learning from the 2005 pilot, we increased the number of scanned scripts and the number of examiners carrying out marking onscreen to approx 70.

A different technology partner (Research Machines) was chosen to provide comparability and inform decision making about possible future scaling.

#### *In-application Assessment*

In 2005-06, CCEA began work to design an ICT in-application test for GCSE ICT (Applied). This is a skills-based examination currently delivered in paper, with candidates working in MS Office and printing outcomes; these are marked manually.

In-application assessment allows candidates to login to a test and work in a MS simulation, with their work marked by computer.

We plan to deliver a test to Year 11 pupils following this course in summer 2006.

If successful, we hope to use similar technology in other examinations.

#### *E-moderation*

Last year, coursework from GCSE ICT and Home Economics candidates in five schools was submitted to CCEA in electronic form. This was presented to moderators online and marks were captured electronically. As well as significantly reducing the administrative burden for moderators, e-moderation will add value to the assessment methodology and highlight opportunities for alternative types of coursework such as sound or video files and others. This is timely, as specifications and schemes of assessment are currently being reviewed.

#### *Use of E-assessment in High-Stakes Examinations*

Research is underway that will provide critical information to enable further development of online assessment in high-stakes examinations. This work looks particularly at the use of multiple streams in tests, and it is investigating ways to ensure that outcomes are standardised sufficiently to award grades. This will allow exams to be accessed on demand, with students answering a range of questions from question banks.

CCEA is researching the use of psychometrics for question design and in providing analysis of test item performance, building tests, establishing cut scores and analysing test performance. A beta test was successfully completed in February 2006, and a 'live' test was delivered in May 2006 to 500 candidates. A pencil-and-paper test was delivered at the same time to a control group.

### CCEA Corporate and Social Responsibility Policy

CCEA is a unique educational body in the UK, bringing together the three areas of curriculum, examinations and assessment. Its role includes advising government on the Northern Ireland curriculum, monitoring qualifications and examination standards in Northern Ireland, awarding qualifications, and administering the Transfer Test on behalf of the Department of Education.

CCEA operates from three sites: two within the Clarendon Dock complex in Belfast and one in the Greater Belfast area.

CCEA seeks to fulfill its legal responsibilities in the areas of CSR but will go beyond statutory compliance in the workplace, its community involvement and in safeguarding the environment in which it operates.

CCEA will ensure that its strategic decisions and actions are based on a bedrock of corporate values and business ethics. CCEA will embed CSR into its mainstream business processes.

#### ***The Workplace***

CCEA will adopt fair and equitable recruitment practices and adopt non-discriminatory practices in its people policies including: recruitment and selection; rewarding and promoting people on merit, helping employees to develop their professional skills and achieve a work/life balance, and treating people with equal respect.

CCEA will promote health and safety in its broadest context, with a particular emphasis on occupational health and employee welfare.

CCEA will carry out organisational development in a socially responsible way, taking into consideration the interests and concerns of all of those who are affected by the changes and decisions. It will provide open information and consultation and will seek to reduce the need for redundancies.

#### ***The Community***

CCEA will actively seek opportunities through its core business to ensure that activities enrich and add value to the society in which it operates. In addition, it will ensure that employees are provided with opportunities to make effective voluntary contributions to the society in which they live and to societal and environmental issues which matter to them.

CCEA will respect its neighbours and its communities. It will develop positive relationships with the local community and contribute to community causes.

Dr Alan Lennon  
Chairman



Date 06/11/06

Gavin Boyd  
Chief Executive



Date 06/11/06

### ***Remuneration Policy***

The Chief Executive's remuneration is set by the Council's Remuneration Committee within a scale set by the Department of Education. The Chairman and all non-executive Business Committee members who are deemed not to have a conflict of interest are members of this committee.

They agree the Chief Executive's salary for the year ahead, review the Chief Executive's performance against targets set by the Chairman at the start of each year and agree a performance related payment up to a maximum of 15% of his salary.

The remuneration of the other directors on CCEA's top management team is agreed by the Chief Executive in consultation with the Chairman and is based upon 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 Chairman, a performance related payment up to a maximum of 10% of the director's salary.

The performance related payments made by CCEA to its top management team are reviewed and approved by the Department of Education in line with Treasury guidelines.

The Chairman's honorarium has been set by the Department of Education at 20% of the mid-point of the Chief Executive's salary scale. This is administered by CCEA's People Services department in strict accordance with these rules.

### ***Service Contracts***

All members of CCEA's top management team have open-ended contracts with a normal retiring age of 65 and a notice period of three months. It is not CCEA's policy to offer any termination payments other than payment in lieu of notice and redundancy payments. The remuneration of all members of the top management team consists of salary, performance related pay and pension contributions. They do not receive any benefits in kind.

### ***Emoluments and Pension Entitlements***

The emoluments and pension entitlements of senior management have been disclosed overleaf. All members of the senior management team participate in the NILGOSC Superannuation Scheme as defined in Note 5.

### ***Emoluments***

Emoluments consist of gross salary and performance related pay. No other bonuses, allowances or benefits in kind were provided during the year. The increase in real terms of the accrued pensions and lump sums is calculated on the basis of an inflation adjustment factor of 2.7% for the year to 31 March 2006.

**Emoluments and Pension Entitlements of Senior Management**

	Salary	Performance Related Pay	Total Emoluments	Real increase in pension earned in the year to 31/03/06	Real increase in accrued lump sum in the year to 31/03/06	Total accrued pension at 31/03/06	Total accrued lump sum at 31/03/06	CETV at 31/03/05	CETV at 31/03/06
	£	£	£	£	£	£	£	£	£
Gavin Boyd - Chief Executive	86,250	10,000	96,250	1,091	3,274	6,501	19,504	60,057	76,392
David Mulholland - Director of Corporate Services	60,000	3,244	63,244	962	2,886	3,590	10,769	23,897	34,569
Neil Anderson - Director of Operations	55,658	3,904	59,562	703	2,108	3,591	10,773	31,508	41,214

**CETV**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the disclosed pension arrangement. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework described by the Institute and Faculty of Actuaries.

**Chairman's Honorarium**

During the year, the honorarium paid to the Chairman was £17,060, in addition £1,557, was paid in respect of Employers' National Insurance (Note 6). No emoluments were paid to any other Council member.

Gavin Boyd ..... Date 06/11/06  
  
 Chief Executive

## Statement of the Responsibilities of the Council and Chief Executive

Under Schedule 3 of the Education (Northern Ireland) Order 1998, the Northern Ireland Council for the Curriculum, Examinations and Assessment (CCEA) is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Department of Education (DE) with the approval of the Department of Finance and Personnel (DFP). The accounts are prepared on an accruals basis and must give a true and fair view of CCEA's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, CCEA is required to:

observe the accounts direction issued by DE including 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 have been followed, and disclose and explain any material departures in the financial statements;

prepare the financial statements on a going concern basis, unless it is inappropriate to presume that CCEA will continue in operation.

The Accounting Officer of DE has designated the Chief Executive of CCEA as Accounting Officer for CCEA. His relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which he is answerable and for keeping proper records, are set out in the Non-Departmental Public Bodies' (NDPBs) Accounting Officer Memorandum, which is issued by DFP.

## Statement of Internal Control

### **SCOPE OF RESPONSIBILITY**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that 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 Government Accounting Northern Ireland (GANI).

CCEA's system of internal control follows the Government Internal Audit Manual (GIAM) definition of being:

*'The whole network of systems established in an organisation to provide reasonable assurance that organisational objectives will be achieved, with particular reference to:*

- *the effectiveness of operations;*
- *the economical and efficient use of resources;*
- *compliance with applicable policies, procedures, laws and regulations;*
- *the safeguarding of assets from losses of all kinds, including those arising from fraud, irregularity or corruption;*
- *the integrity and reliability of information, accounts and data.'*

My view of the overall system of internal control is informed by work managed by CCEA's Business Assurance and Finance & Management Information (FMI) Units and includes in its scope:

- audit project work;
- consideration of the measures in place to manage corporate risks and the development of the risk management framework;
- business improvement systems and tools employed by CCEA;
- training and development plans involving the People Services & Equality (PSE) Unit and the implementation of these to ensure staff can discharge their responsibilities effectively;
- discussions with key staff and observations during the reporting period.

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

## Statement of Internal Control (continued)

The system of internal control has been in place in CCEA for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts and accords with DFP guidance.

### **CAPACITY TO HANDLE RISK**

CCEA's risk management system has been formalised through:

- the development and communication of a CCEA risk management policy;
- the development and issue of an ISO 9001 risk management procedure;
- the development of a CCEA risk management process manual;
- the development and maintenance of CCEA's Corporate, Business and Operational Risks Registers; and
- the development of a stewardship reporting system.

During the reporting period, the Quality and Risk Executive met on a one-to-one basis with all CCEA business managers and all operational managers on at least two occasions. Her work included:

- supporting new managers and helping them to understand the nature and scope of the risks they had inherited;
- helping managers of new business areas to identify risks in their areas of responsibility and to suggest mitigation measures; and
- working with managers to effect improvement where it was considered they had neither identified the risks to their business nor introduced effective mitigation measures.

She also worked with managers to ensure risk ratings were reflective of the true degree of risk.

### **THE RISK AND CONTROL FRAMEWORK**

During the reporting period, risk management arrangements were further developed. Substantive work included the development and implementation of an action plan to resolve issues around interdependent risks and the further development of CCEA's disaster recovery and business continuity plans. In addition, a self-assessment of the risk management system against HM Treasury Maturity Framework/EFQM framework was undertaken, and an improvement action plan developed and deployed. A comprehensive desktop review of CCEA's examinations risks took place against the Examinations Regulatory Code of Practice. An action plan to address gaps was developed and implementation is in progress.

#### ***Corporate Risk Register***

The dynamic register of ranked corporate, business and operational risks, with risk ownership clearly assigned, is available to all staff via CCEA's intranet site.

These registers are continually updated to:

- reassign risks to staff upon organisational restructuring and/or the appointment of new managers;

## Statement of Internal Control (continued)

- add new risks and remove redundant risks;
- amend risk ratings and rankings to improve the appropriateness and effectiveness of the mitigation measures;
- amend risk descriptors to provide risk owners and managers better clarity;
- assign individual ownership where risks were shared; and
- revise mitigation documentation to clearly identify the status of measures as ongoing or established and to ensure that additional measures were considered at each review to improve the management of the risk.

### ***Stewardship Reporting***

Formal quarterly stewardship reports on corporate risks were made during the reporting period. Similar reports were made for business risks in June and September 2005 and for operational risks in June 2005.

The stewardship reports require risk owners to detail how effectively they are managing their risks, with TMT acting in a quality assurance role.

During these reporting periods, the Business Assurance Unit also reviewed the reports, provided advice and guidance on the effectiveness of mitigation measures, and prompted action to address any perceived weaknesses in control.

The stewardship reporting mechanism is the bedrock for the comprehensive assurance of CCEA's control environment and is a further component in the organisation's corporate governance framework.

Senior management's continued commitment, together with the necessary degree of rigor when reviewing mitigation measures and stewardship reports, leaves me well placed to sign the Statement of Internal Control for the financial year ending 31 March 2006.

### **REVIEW OF EFFECTIVENESS**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed by:

- the work of external consultants who provide our internal audit function;
- CCEA's Audit and Risk Committee, which oversees the work of the internal auditor;
- the work of the Business Assurance Manager, who prepares an independent assessment of CCEA's Assurance Framework;
- 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.

## Statement of Internal Control (continued)

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.

The main components of this plan are as follows:

### ***Internal Audit***

A new outsourced internal audit provider, Ernst & Young LLP, was appointed for a three year period. It is CCEA's policy to only appoint internal auditors for a three year programme, with the contract going out to tender again at the end of that programme. The planned programme of audits is developed in collaboration and consultation with CCEA management and is regularly reviewed over the three years to ensure its continued effectiveness.

CCEA's Audit and Risk Committee, which meets three times yearly, contributed to and approved the planned programme. It also contributes to and approves the programme's annual review. This helps ensure that it continues to focus on CCEA's core business risks and interests.

During 2005-06, Ernst & Young LLP completed the internal audit plan for 2005-06, with the exception of a review of the new financial systems. The new financial systems were excluded from the internal audit due to the timing of their implementation. However, a review of Procurement (originally planned for the third year of the programme) was brought forward and completed in this reporting period.

As Ernst & Young LLP were only appointed as CCEA's internal audit providers on 1 July 2005, their opinion covers the period from 1 July 2005 to 31 March 2006. Their conclusion was that the controls CCEA has in place provide a limited level of assurance to ensure the effective and efficient achievement of objectives. This is due to the absence of review of the new financial systems. The auditors also stated that they identified no internal control issues that indicated the existence of significant weakness in the overall system of internal control that resulted in, or could result in, material financial loss.

Part of this first year's programme of internal audits was a Review of Corporate Governance and Risk Management. The objectives of this review were to:

- determine whether the Corporate Governance framework was sufficient to enable the Accounting Officer to carry out his responsibilities effectively;
- determine whether the Corporate Governance framework complies with best practice;
- confirm that the risk management process has been operating effectively and adequately over the year to 31 March 2006.

CCEA received an unqualified audit report for this review, and the auditors concluded that CCEA management have taken appropriate action to give reasonable assurance that key risks continue to be effectively managed.

## Statement of Internal Control (continued)

### **Quality Management and Business Improvement**

CCEA was reaccredited to ISO 9001 (2000) on two occasions and complied with all requirements. It has also embarked on the process of gaining accreditation to the ISO 14001 environmental management standard.

CCEA was reaccredited to Charter Mark standard. It achieved full compliance with 51 elements of the standard and had 11 areas of its operations identified as 'best practice'.

In respect of the Business Excellence Model, CCEA made continuing progress and achieved a score of 600+ through independent assessment. CCEA maintained its Mark of Excellence accreditation through the submission of a final update document to the Centre for Competitiveness. CCEA was the only public sector finalist for the 2005 UK Business Excellence Award.

CCEA's practice of undergoing independent evaluation, scrutiny and review through assessment against national and internationally recognised quality models has enabled it to receive objective external feedback about itself. Some examples for the 2005-06 reporting period are given below:

*'We recognise the strong improvement culture that has been embedded in recent years ... processes are very effective, not only for examinations but also for internal processes such as communications. There is clear evidence that approaches are being reviewed and improved' (UK Business Excellence Assessors: September 2005).*

*'The staff of CCEA are recognised as the deliverers of excellent services and products and the organisation has systems in place to continually develop its people on both a professional and personal level' (Northern Ireland Business Excellence Assessor: December 2005).*

*'Your staff are very actively involved in planning and improving your services ... your performance against your standards compares very favourably in relation to other similar organisations' (Charter Mark Assessor: January 2006).*

*'Excellent system application and attention to detail' (ISO 9001 (2000) Assessor: February 2006).*

### **Financial Management**

CCEA prepares a detailed, costed Operational Plan each year. This plan describes the organisation's objectives, delegates them to a Business Manager and assigns performance measures and a budget against each one. This Operational Plan is submitted to the Department of Education (DE) for approval and provides them with full disclosure of CCEA's intended use for DE resources each year.

Budget management is an integral part of each Business Manager's job description and is incorporated into the framework for their performance related pay scheme. Business Managers are provided with online financial information within three working days of each month end.

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

## Statement of Internal Control (continued)

Our Finance and Management Information teams went through a year of change due to long-term sick leave of one senior member of staff and the turnover of three key staff positions. This put the teams under pressure and whilst firm controls were continuously maintained through out this period, there were gaps in reviewing and providing evidence of controls. This situation was quickly addressed, and before the end of the financial year, the Finance and Management Information teams were restructured into one team, all key posts were filled (resulting in an increase from two fully qualified accountants to three), and all controls were brought up to date and adequately reviewed.

### ***Performance Management***

CCEA continued to extend and embed its performance management framework. Monitoring and reporting on corporate, business unit and individual manager performance against Corporate and Operational Plan objectives took place. And a performance management microsite on CCEA's website was updated throughout the year.

CCEA published its second Annual Customer Charter Report. This tells customers the extent to which standards of service are met. Thirty-four of the 39 standards were achieved, an 11% improvement on the previous year. The Customer Charter itself was reviewed and the number of service standards raised from 39 to 54.

Seventy-seven Freedom of Information requests were received. All were completed within the required timescales.

### ***Examinations Assurance Activity***

CCEA's examinations operations continued to be independently monitored and scrutinised by the regulatory authorities. Improvement action plans were developed and implemented, where necessary. CCEA completed its second examinations self-assessment report against criteria set by the regulatory authorities. It began the process of implementing improvement actions identified by the self-assessment. A second online survey for examinations centres was carried out to monitor the performance of all awarding bodies operating in Northern Ireland. The response rate increased from 20% in 2004-05 to 30% in 2005-06. An appraisal took place of the performance of CCEA as an awarding body for the winter 2004 and spring and summer 2005 series of examinations. CCEA exceeded all timescales set by the regulatory authorities for the management of examinations appeals.

Gavin Boyd .....  
Chief Executive



Date ..... 06/11/06 .....

## Certificate and Report of the Comptroller and Auditor General

### **Northern Ireland Council for the Curriculum, Examinations and Assessment**

#### **The Certificate of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements of the Northern Ireland Council for the Curriculum, Examinations and Assessment for the year ended 31 March 2006 under Schedule 3 of the Education (Northern Ireland) Order 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

#### **Respective responsibilities of the Council, Chief Executive and auditor**

The Council and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and Department of Education directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Council and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and Department of Education directions made thereunder. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Northern Ireland Council for the Curriculum, Examinations and Assessment has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 25 to 30 reflects the Northern Ireland Council for the Curriculum, Examinations and Assessment's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statement on internal control cover all risks and controls, or form an opinion on the effectiveness of Northern Ireland Council for the Curriculum, Examinations and Assessment's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chief Executives review of Activities, the unaudited part of the Remuneration Report and the Management Commentary. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

**Basis of audit opinion**

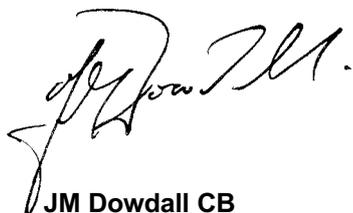
I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Northern Ireland Council for the Curriculum, Examinations and Assessment's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

**Opinion**

In my opinion:

- the financial statements give a true and fair view, in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and directions made thereunder by Department of Education, of the state of the Northern Ireland Council for the Curriculum, Examinations and Assessment's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with Schedule 3 of the Education (Northern Ireland) Order 1998 and Department of Education directions made thereunder; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.



**JM Dowdall CB**  
**Comptroller and Auditor General**

**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast BT7 1EU**

**8th December 2006**

## Income and Expenditure Account for the Year ended 31 March 2006

	Notes	2006		2005 <i>as restated</i>	
		£	£	£	£
<b>INCOME</b>					
Department of Education Grants	2		19,798,480		15,700,115
Income from activities	2		<u>8,059,626</u>		<u>8,197,170</u>
			<b>27,858,106</b>		<b>23,897,285</b>
<b>EXPENDITURE</b>					
Staff costs	4	9,953,206		8,706,971	
Other operating charges	6	17,331,346		14,834,567	
Depreciation charge for year	7	344,908		363,253	
Amortisation charge for year	8	41,673		18,577	
Loss on write-off of assets		-		1,377	
			<u>27,671,133</u>		<u>23,924,745</u>
<b>Operating cost for the year</b>			<b>27,671,133</b>		<b>23,924,745</b>
<b>OPERATING SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>			<b>186,973</b>		<b>(27,460)</b>
Interest payable - short term	9		<u>-</u>		<u>-</u>
Surplus/(Deficit) for the year before notional costs	3		<b>186,973</b>		<b>(27,460)</b>
Notional cost of capital	9		<b>(19,706)</b>		<b>(18,768)</b>
Surplus/(Deficit) for the year after notional costs			<u>167,267</u>		<u>(46,228)</u>
Reversing credit in respect of notional costs			<u>19,706</u>		<u>18,768</u>
<b>AMOUNT TRANSFERRED TO/(FROM) RESERVES</b>			<b>186,973</b>		<b>(27,460)</b>

## Statement of Total Recognised Gains and Losses

	2006 £	2005 <i>as restated</i> £
Surplus/(Deficit) for the financial year	167,267	(46,228)
Indexation	<u>(38,287)</u>	<u>(8,360)</u>
Total gains/(losses) relating to the year	<u>128,980</u>	<u>(54,588)</u>
Prior year adjustment (as explained in Note 21)	<u>(24,506)</u>	
Total gains for the year	<u><u>104,474</u></u>	

All activities are derived from continuing operations.

## Balance Sheet as at 31 March 2006

	Notes	2006		2005 <i>as restated</i>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7	638,287		722,624	
Intangible assets	8	<u>117,205</u>	755,492	<u>142,145</u>	864,769
<b>CURRENT ASSETS</b>					
Stock and work in progress	10	189,496		173,717	
Debtors due within one year	11	2,708,654		3,003,700	
Cash at bank and in hand		<u>3,700</u>		<u>2,398</u>	
		<b>2,901,850</b>		<b>3,179,815</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>(2,380,630)</u>		<u>(2,762,114)</u>	
Net Current Assets			<b>521,220</b>		417,701
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,276,712</b>		1,282,470
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13		<u>(674,826)</u>		<u>(758,281)</u>
<b>NET ASSETS</b>			<b><u>601,886</u></b>		<b><u>524,189</u></b>
Financed by:					
<b>CAPITAL AND RESERVES</b>					
Capital Account-DE	15	38,458		38,458	
Capital Account-DEL	16	-		-	
Government Grant Reserve-DE	17	794,503		858,631	
Government Grant Reserve-DEL	18	23,778		30,639	
Revaluation Reserve	19	(62,793)		(24,506)	
General Fund	20	<u>(192,060)</u>		<u>(379,033)</u>	
			<b><u>601,886</u></b>		<b><u>524,189</u></b>

Dr Alan Lennon .....  ..... Date ..... 06/11/06 .....  
 Chairman

Gavin Boyd .....  ..... Date ..... 06/11/06 .....  
 Chief Executive

## Cash Flow Statement for the year ended 31 March 2006

	Notes	2006		2005	
		£	£	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	1		<b>35,632</b>		<b>(202,748)</b>
<b>RETURNS ON FINANCE AND SERVICING OF FINANCE</b>					
Interest paid		-		-	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			-		-
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>					
Payments to acquire tangible fixed assets		(291,114)		(223,884)	
Payments to acquire intangible fixed assets		(24,478)		(38,346)	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>			<b>(315,592)</b>		<b>(262,230)</b>
<b>NET CASH OUTFLOW BEFORE FINANCING</b>			<b>(279,960)</b>		<b>(464,978)</b>
<b>FINANCING</b>					
Capital grants received	4	620,447		230,000	
<b>NET CASH INFLOW FROM FINANCING</b>			<b>620,447</b>		<b>230,000</b>
<b>INCREASE/(DECREASE) IN NET CASH AND CASH EQUIVALENTS</b>	2		<b>340,487</b>		<b>(234,978)</b>

## Notes to the Cash Flow Statement for the year ended 31 March 2006

<b>1</b>	<b>RECONCILIATION OF OPERATING SURPLUS/(DEFICIT) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2006</b>	<b>2005</b>	
		£	£	
	Operating Surplus/(Deficit)	186,973	(27,460)	
	Adjustment for non-cash transactions			
	Depreciation	344,908	363,253	
	Amortisation	41,673	18,577	
	Loss on write-off of assets	-	1,377	
	Deferred capital grant release	(386,581)	(381,832)	
	Bad debts provision	(13,383)	6,428	
	Bad debts written off	1,421	11,293	
	Provision for liabilities & charges	(83,455)	169,612	
	Adjustments for movements in working capital			
	(Increase)/Decrease in Stock	(15,779)	32,294	
	Decrease/(Increase) in Debtors	278,859	(1,262,816)	
	(Decrease)/Increase in Creditors	(319,004)	866,526	
	Net Cash Inflow/(Outflow) from Operating Activities	<u>35,632</u>	<u>(202,748)</u>	
<b>2</b>	<b>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>2006</b>	<b>2005</b>	
		£	£	
	Opening balance	(364,098)	(129,120)	
	Net cash INFLOW/(OUTFLOW)	<u>340,487</u>	<u>(234,978)</u>	
	Closing balance	<u>(23,611)</u>	<u>(364,098)</u>	
<b>3</b>	<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>	<b>2006</b>	<b>2005</b>	<b>Change in year</b>
		£	£	£
	Cash at Bank and in Hand	<u>(23,611)</u>	<u>(364,098)</u>	<u>340,487</u>
		<u>(23,611)</u>	<u>(364,098)</u>	<u>340,487</u>
<b>4</b>	<b>ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR</b>	<b>Deferred Capital Grant</b>	<b>Capital Account</b>	
		£	£	
	Balances at 1 April 2005	889,270	38,458	
	Capital grants received	-	620,447	
	Reversal of opening accrued capital grant	-	(304,855)	
	Transfer in respect of depreciating assets purchased	315,592	(315,592)	
	Release to revenue in respect of grant amortisation	(386,581)	-	
	Balances at 31 March 2006	<u>818,281</u>	<u>38,458</u>	

## 1 ACCOUNTING POLICIES

The principal accounting policies which have been adopted in the preparation of these accounts are as follows:

### 1.1 Accounting Convention

- (i) The financial statements have been prepared in accordance with the historical cost convention as modified by the indexation and revaluation of fixed assets in line with the *Government Financial Reporting Manual 2005-06*. In prior years, in line with guidance contained in *Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance 2004-05*, the historical cost convention without modification due to the revaluation of assets was applied. The 2004-05 balances have been restated as a result of this change in accounting policy (Note 21).
- (ii) The accounts direction issued by the Department of Education (DE) and approved by the Department of Finance and Personnel (DFP) is reproduced as an Appendix to these accounts.
- (iii) Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 and accounting standards issued or adopted by the Accounting Standards Board and the accounting and disclosure requirements issued by DFP in so far as those requirements are appropriate.

### 1.2 Income

#### (a) Government Grants

Government grants received are treated as follows:

- (i) Grants of a revenue nature are credited to income in the year in which they are received.
- (ii) Grants received for capital expenditure are credited to the Government Grant Reserve and released to revenue over the estimated useful life of the relevant assets.
- (iii) Where there is a shortfall in grant finance for capital additions, this shortfall is made up from revenue grants if permission is given by DE.

#### (b) Examination Fees

CCEA charges examination fees in the same financial year as the examinations take place.

### 1.3 Fixed Assets

Fixed assets are capitalised at their cost of acquisition and installation.

The level for capitalisation as an individual or grouped fixed asset has been applied for the years shown at £1,500.

CCEA does not own any land or buildings.

### 1.4 Leased Assets

Rental payments in respect of assets held under operating leases are charged to the income and expenditure account as incurred. Commitments under operating leases are shown in Note 14 to the financial statements.

### 1.5 Depreciation

Depreciation is provided on all tangible fixed assets from the month they are brought into service.

In order to write off the value, less estimated residual value of each asset, tangible fixed assets are depreciated on a straight line basis over their expected useful lives or lease period if shorter.

## Notes to the Financial Statements at 31 March 2006 (continued)

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

Computer hardware	-	4 years
Computer software	-	4 years
Office equipment and furniture	-	4 years
Plant and machinery	-	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 4 years.

### 1.7 Stocks

Stocks have been consistently valued at the lower of cost and net realisable value.

### 1.8 Work in Progress

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

### 1.9 Pensions

CCEA participates in the following two pension schemes :

**a) Teachers' Superannuation Scheme**

CCEA makes employer contributions to the cost of pension cover provided for its staff, which are charged to the income and expenditure account as incurred.

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

The pension cost in respect of employees is charged to the income and expenditure account so as to recognise the cost of pensions over employees' working lives.

### 1.10 Value Added Tax (VAT)

A small part of the activities of CCEA - mainly those associated with the Multimedia Department - 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.

### 1.11 Cost of Capital

In accordance with DFP guidelines, notional interest is 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 current liabilities.

### 1.12 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.

## Notes to the Financial Statements at 31 March 2006 (continued)

Lump sum payments 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 income and expenditure account, based on actuarial tables in accordance with Financial Reporting Standard (FRS)12.

### 2 INCOME

#### (A) DEPARTMENT OF EDUCATION GRANTS

	2006	2005
	£	£
Salaries grant (DE Vote 1)	9,953,206	8,706,971
Recurrent grant (DE Vote 1)	7,395,128	5,357,937
Substitute teachers	2,070,426	1,261,454
	<u>19,418,760</u>	<u>15,326,362</u>
Deferred capital grant release (Note 18)	379,720	373,753
	<u>19,798,480</u>	<u>15,700,115</u>

In line with guidance contained in "Government Financial Reporting Manual 2005-06", grant-in-aid of a revenue nature is recognised on a cash received basis, whilst expenditure is accounted for on an accruals basis.

#### (B) INCOME FROM ACTIVITIES

	2006	2005
	£	£
Research and development	81,229	214,255
Examination fees	7,137,663	6,780,611
Surrender of excess examination fees	(140,000)	-
Other activities	980,734	1,202,304
	<u>8,059,626</u>	<u>8,197,170</u>

Income from activities is shown net of Value Added Tax (VAT).

Examination fee income received in the year exceeded the estimate in the 2005-06 Operational Plan by £140,000. This excess was surrendered to the Department of Education in accordance with the Management Statement of the Northern Ireland Council for the Curriculum, Examinations and Assessment.

## Notes to the Financial Statements at 31 March 2006 (continued)

<b>3 RECONCILIATION OF MOVEMENTS IN GOVERNMENT FUNDS</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Surplus/(Deficit) for year	<b>186,973</b>	(27,460)
Capital grants received	<b>315,592</b>	435,574
Release of deferred capital grant	<b>(386,581)</b>	(383,209)
Movement in revaluation reserve	<b>(38,287)</b>	(8,360)
Net increase in Government Funds	<u><b>77,697</b></u>	<u>16,545</u>
Government Funds at 1 April 2005 as previously reported	<b>548,695</b>	523,790
Prior year adjustment (Note 21)	<b>(24,506)</b>	(16,146)
Government funds at 1 April 2005 as restated	<u><b>524,189</b></u>	<u>507,644</u>
Government Funds at 31 March 2006	<u><u><b>601,886</b></u></u>	<u><u>524,189</u></u>

### **4 STAFF COSTS**

The average number of employees during the year was made up as follows :

	<b>2006</b>	<b>2005</b>
Senior management	<b>3</b>	3
Direct employees	<b>267</b>	244
Temporary staff	<b>58</b>	91
Contract staff	<b>71</b>	25
	<u><b>399</b></u>	<u>363</u>

The costs incurred in respect of employees were :

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Gross salaries		
Direct employees	<b>6,224,425</b>	5,672,908
Temporary staff	<b>872,899</b>	831,085
Contract staff	<b>1,459,337</b>	1,182,344
Social security costs	<b>680,877</b>	613,520
Pension costs	<b>715,668</b>	407,114
	<u><b>9,953,206</b></u>	<u>8,706,971</u>

## Notes to the Financial Statements at 31 March 2006 (continued)

### 5 PENSION COMMITMENTS

#### a) Teachers' Superannuation Scheme

52 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 2005-06, the contribution rates were 14.0% employers and 6.0% employees.

Contributions for the year :

	2006	2005
	£	£
Employers	291,794	124,444
Employees	<u>124,867</u>	<u>106,654</u>
Total	<u><u>416,661</u></u>	<u><u>231,098</u></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 174 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 contribution rates were 8.5% employers and 6.0% employees. The results of the most recent valuation, which was conducted at 31 March 2004, were as follows :

Main assumptions -

Rate of return on investments per annum	6.30%
Rate of general increase in salaries per annum	4.40%
Rate of pension increases per annum	2.90%

Market value of scheme's assets £2.152 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. 85%

## Notes to the Financial Statements at 31 March 2006 (continued)

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 :

	2006	2005
	£	£
Employers	330,650	159,900
Employees	<u>233,313</u>	<u>208,432</u>
Total	<u><u>563,963</u></u>	<u><u>368,332</u></u>

### c) Early Departure Costs

There were no lump sum payments during the year related to early departures (2005 - £nil).

Annual costs relating to early departures in previous years, which are met by CCEA, currently amount to £37,329. These annual costs will continue in line with pension payments and are index linked.

	2006	2005
	£	£
Provision for liabilities and charges	560,826	593,884

In accordance with Financial Reporting Standard (FRS) 12 - "Provisions, contingent liabilities and contingent assets", full provision has been made for the best estimate of the expected total liability of CCEA in relation to early departures during the current year and previous years.

## Notes to the Financial Statements at 31 March 2006 (continued)

6 OTHER OPERATING CHARGES	2006	2005
	£	£
Chairman's Honorarium	18,617	15,557
Council and Main Committee expenses	4,680	2,536
Examiners and other fees and expenses	5,100,572	4,935,944
Heat and light	112,474	96,712
Cleaning and other services	206,502	124,841
Rent and rates	1,367,902	1,324,230
Repairs and renewals - premises	267,738	298,001
Repairs and renewals - machinery and equipment	198,170	142,990
Rental, leasing and hire purchase of equipment	154,221	174,269
Audit fee	19,616	16,574
Professional charges	1,548,715	1,552,940
Hire of accommodation and equipment	130,070	84,526
Catering	324,093	269,068
Cost of saleable materials	87,092	66,135
Project costs	39,166	63,332
Transport and travel	325,445	323,294
Carriage	449,327	438,923
Advertising, printing and stationery	1,971,225	1,612,946
Telephone and postage	362,668	320,853
Insurance and risk management	82,973	75,837
Conferences and exhibitions	165,172	146,891
Training and health and safety	345,059	255,066
Inter-Board activities	44,583	38,349
Research and development	1,672,547	908,218
Substitute teachers	2,070,426	1,261,454
Minor fixed assets (under £1,500)	2,233	16,864
Bad debts provision	(13,383)	6,428
Bad debts written off	1,421	11,293
Restructuring provision	124,933	164,397
Miscellaneous	147,089	86,099
	<u>17,331,346</u>	<u>14,834,567</u>

7 TANGIBLE ASSETS

	Computer Hardware £	Computer Software £	Office Furniture & Equipment £	Plant & Machinery £	TOTAL £
<b>VALUATION</b>					
At 1 April 2005 as previously reported	1,053,887	631,086	868,619	21,802	2,575,394
Prior year adjustment (Note 21)	(36,947)	(16,657)	6,300	-	(47,304)
At 1 April 2005 as restated	1,016,940	614,429	874,919	21,802	2,528,090
Indexation	(30,550)	(9,697)	(121)	(19)	(40,387)
Additions	155,079	88,696	47,339	-	291,114
Disposals	-	-	-	-	-
<b>At 31 March 2006</b>	<b>1,141,469</b>	<b>693,428</b>	<b>922,137</b>	<b>21,783</b>	<b>2,778,817</b>
<b>ACCUMULATED DEPRECIATION</b>					
At 1 April 2005 as previously reported	705,504	491,861	617,374	16,098	1,830,837
Prior year adjustment (Note 21)	(19,850)	(8,476)	2,955	-	(25,371)
At 1 April 2005 as restated	685,654	483,385	620,329	16,098	1,805,466
Indexation	(6,742)	(2,777)	(323)	(2)	(9,844)
Charge to income & expenditure	158,384	57,787	124,178	4,559	344,908
Depreciation eliminated on disposals	-	-	-	-	-
<b>At 31 March 2006</b>	<b>837,296</b>	<b>538,395</b>	<b>744,184</b>	<b>20,655</b>	<b>2,140,530</b>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2006</b>	<b>304,173</b>	<b>155,033</b>	<b>177,953</b>	<b>1,128</b>	<b>638,287</b>
At 31 March 2005	331,286	131,044	254,590	5,704	722,624

Tangible fixed assets have been revalued at 31 March 2006 using the indices from the Office for National Statistics, and the overall deficit of £30,543 (2005: £7,378) after depreciation, was transferred to the revaluation reserve (Note 21).

## Notes to the Financial Statements at 31 March 2006 (continued)

8 INTANGIBLE ASSETS	Software Licences	TOTAL
	£	£
<b>VALUATION</b>		
At 1 April 2005 as previously reported	168,159	168,159
Prior year adjustment	<u>(4,443)</u>	<u>(4,443)</u>
At 1 April 2005 as restated	163,716	163,716
Indexation	(8,375)	(8,375)
Additions	<u>24,478</u>	<u>24,478</u>
<b>At 31 March 2006</b>	<b><u>179,819</u></b>	<b><u>179,819</u></b>
<b>ACCUMULATED AMORTISATION</b>		
At 1 April 2005 as previously reported	23,441	23,441
Prior year adjustment	<u>(1,870)</u>	<u>(1,870)</u>
At 1 April 2005 as restated	21,571	21,571
Indexation	(630)	(630)
Charge for year	<u>41,673</u>	<u>41,673</u>
<b>At 31 March 2006</b>	<b><u>62,614</u></b>	<b><u>62,614</u></b>
<b>NET BOOK VALUE</b>		
<b>At 31 March 2006</b>	<b><u>117,205</u></b>	<b><u>117,205</u></b>
At 31 March 2005	<u>142,145</u>	<u>142,145</u>

Intangible fixed assets have been revalued at 31 March 2006 using the indices from the Office for National Statistics and the overall deficit of £7,744 (2005: £983) after depreciation was transferred to the revaluation reserve (Note 21).

9 INTEREST ON CAPITAL EMPLOYED	2006	2005
	£	£
Notional interest	<u>19,706</u>	<u>18,768</u>
	<b><u>19,706</u></b>	<b><u>18,768</u></b>
10 STOCK	2006	2005
	£	£
Work in progress	15,170	-
Paper	8,445	4,974
Question papers	<u>165,881</u>	<u>168,743</u>
	<b><u>189,496</u></b>	<b><u>173,717</u></b>

## Notes to the Financial Statements at 31 March 2006 (continued)

<b>11 DEBTORS DUE WITHIN ONE YEAR</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,095,989	1,025,916
Other debtors	44,830	47,331
Prepayments and accrued income	1,567,835	1,930,453
	<u>2,708,654</u>	<u>3,003,700</u>
<b>12 CREDITORS FALLING DUE WITHIN ONE YEAR</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	8
Bank overdraft	27,311	366,496
Taxes and social security	35,169	264,841
Other creditors	517,818	14,735
VAT	576	3,934
Accruals and deferred income	1,799,756	2,112,100
	<u>2,380,630</u>	<u>2,762,114</u>
<b>13 PROVISIONS FOR LIABILITIES AND CHARGES</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Pension Provision</b>		
As at 1 April 2005	593,884	588,669
(Decrease)/Increase in pension provision during year	<u>(33,058)</u>	<u>5,215</u>
Pension provision in respect of Early Departures at 31 March 2006	<u>560,826</u>	<u>593,884</u>
<b>Restructuring Provision</b>		
As at 1 April 2005	164,397	-
(Decrease)/Increase in restructuring provision during year	<u>(50,397)</u>	<u>164,397</u>
Restructuring provision in respect of Education Services at 31 March 2006	<u>114,000</u>	<u>164,397</u>
<b>Total provisions for liabilities and charges</b>	<u>674,826</u>	<u>758,281</u>

## Notes to the Financial Statements at 31 March 2006 (continued)

### 14 LEASE COMMITMENTS

#### OPERATING LEASES

At 31 March 2006, annual commitments under non-cancelable operating leases were as follows:

	2006	2005
	£	£
Operating leases which expire:		
Within one year	115,694	103,108
Within two to five years	<u>256,914</u>	<u>533,754</u>
	<u><u>372,608</u></u>	<u><u>636,862</u></u>
	2006	2005
	£	£
Property leases which expire:		
Within one year	91,650	-
Within two to five years	193,758	293,637
More than five years	<u>535,800</u>	<u>695,600</u>
	<u><u>821,208</u></u>	<u><u>989,237</u></u>
<b>15 CAPITAL ACCOUNT - DE</b>	<b>2006</b>	<b>2005</b>
	£	£
At 1 April 2005	38,458	69,171
Capital Grant Account (DE Vote 1)	<u>315,592</u>	<u>396,856</u>
	<b>354,050</b>	<b>466,027</b>
Transfer to Government Grant Reserve	<u>(315,592)</u>	<u>(427,569)</u>
<b>At 31 March 2006</b>	<u><u>38,458</u></u>	<u><u>38,458</u></u>
<b>16 CAPITAL ACCOUNT - DEL</b>	<b>2006</b>	<b>2005</b>
	£	£
At 1 April 2005	-	-
Capital Grant Account (DEL)	<u>-</u>	<u>38,718</u>
	<b>-</b>	<b>38,718</b>
Transfer to Government Grant Reserve (DEL)	<u>-</u>	<u>(38,718)</u>
<b>At 31 March 2006</b>	<u><u>-</u></u>	<u><u>-</u></u>

## Notes to the Financial Statements at 31 March 2006 (continued)

<b>17 GOVERNMENT GRANT RESERVE - DE</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>GROSS VALUE OF DEFERRED GRANTS</b>		
At 1 April 2005	<b>3,874,611</b>	3,447,042
Transfer from capital account in respect of depreciating assets	<b>315,592</b>	427,569
At 31 March 2006	<b><u>4,190,203</u></b>	<b><u>3,874,611</u></b>
<b>ACCUMULATED TRANSFERS TO REVENUE</b>		
At 1 April 2005	<b>(3,015,980)</b>	(2,640,850)
Transfer to the income & expenditure account	-	(1,377)
Transfer to revenue in respect of grant amortisation for the year	<b>(379,720)</b>	(373,753)
At 31 March 2006	<b><u>(3,395,700)</u></b>	<b><u>(3,015,980)</u></b>
<b>NET VALUE AT 31 MARCH 2006</b>	<b><u>794,503</u></b>	<b><u>858,631</u></b>
<b>18 GOVERNMENT GRANT RESERVE - DEL</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>GROSS VALUE OF DEFERRED GRANTS</b>		
At 1 April 2005	<b>38,718</b>	-
Transfer from capital account in respect of depreciating assets	-	38,718
At 31 March 2006	<b><u>38,718</u></b>	<b><u>38,718</u></b>
<b>ACCUMULATED TRANSFERS TO REVENUE</b>		
At 1 April 2005	<b>(8,079)</b>	-
Transfer to revenue in respect of grant amortisation for the year	<b>(6,861)</b>	(8,079)
At 31 March 2006	<b><u>(14,940)</u></b>	<b><u>(8,079)</u></b>
<b>NET VALUE AT 31 MARCH 2006</b>	<b><u>23,778</u></b>	<b><u>30,639</u></b>

## Notes to the Financial Statements at 31 March 2006 (continued)

<b>19 REVALUATION RESERVE</b>	<b>2006</b>	<b>2005</b>
	as restated	as restated
	£	£
At 1 April 2005 as previously reported	-	-
Prior year adjustment (Note 21)	<u>(24,506)</u>	<u>(16,146)</u>
At 1 April 2005 as restated	<b>(24,506)</b>	<b>(16,146)</b>
Indexation	<u>(38,287)</u>	<u>(8,360)</u>
<b>At 31 March 2006</b>	<b><u>(62,793)</u></b>	<b><u>(24,506)</u></b>

<b>20 GENERAL FUND</b>	<b>2006</b>	<b>2005</b>
	£	£
At 1 April 2005 based on valuation	<b>(379,033)</b>	(351,573)
Surplus/(Deficit) for the year	<u>186,973</u>	<u>(27,460)</u>
<b>At 31 March 2006</b>	<b><u>(192,060)</u></b>	<b><u>(379,033)</u></b>

### 21 PRIOR YEAR ADJUSTMENT

The financial statements have been prepared in accordance with the historical cost convention as modified by the indexation and revaluation of fixed assets as a result of a change in the Government Financial Reporting Manual 2005-06. In prior years, in line with the guidance contained in Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance 2004-05, the historical cost convention without modification due to the revaluation of assets was applied. The impact to the revaluation reserve on the change of accounting policy is (£38,287) in the current year, (£8,360) in 2004-05 and (£16,146) in the years prior to 2004-05.

### 22 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 March 2006, no capital commitments existed in respect of assets ordered but not received.

### 23 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
- Colleges of Further Education in Northern Ireland
- Universities in Northern Ireland.

During the year, none of the board members, members of the key management staff or other related parties undertook any material transactions with CCEA.

## Notes to the Financial Statements at 31 March 2006 (continued)

### 24 SEGMENTAL INFORMATION

The Accounts Direction for the organisation requires CCEA to disclose appropriate segmental information on its services. For the year 2005-06, CCEA has calculated that, for its major services, the estimated full economic costs as offset by DE grants, income from examinations and income from other activities were as follows :

	<b>2006</b>
	<b>£000</b>
Curriculum Services	(5,291)
Examination Services	(16,444)
Assessment Services	(4,256)
Regulatory Services	(1,680)
	<u>(27,671)</u>
DE Grants	19,798
Examinations income	6,998
Income from other activities	1,062
	<u>187</u>

### 25 MANAGEMENT OF EXPOSURE TO RISKS

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

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

### NORTHERN IRELAND COUNCIL FOR THE CURRICULUM, EXAMINATIONS AND ASSESSMENT (CCEA)

#### ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF EDUCATION, WITH THE APPROVAL OF THE DEPARTMENT OF FINANCE AND PERSONNEL, IN ACCORDANCE WITH SCHEDULE 3 OF THE EDUCATION (NI) ORDER 1998

- 1 CCEA shall prepare accounts for the financial year ended 31 March comprising:
  - a foreword;
  - an income and expenditure account;
  - a balance sheet;
  - a cash flow statement; and
  - a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with:
  - generally accepted accounting practice in the United Kingdom (UK GAAP);
  - the disclosure and accounting requirements contained in "The Fees and Charges Guide" (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Department of Finance and Personnel may issue from time to time in respect of accounts which are required to give a true and fair view;
  - the accounting and disclosure requirements given in "Government Accounting Northern Ireland" and in the "Financial Reporting Manual (FrEM)" guidance, as amended or augmented from time to time;in so far as these are appropriate to CCEA and are in force for the financial year for which the statement of accounts is to be prepared.
- 4 Clarification of the application of the accounting and disclosure requirements of the Companies (NI) Order 1986 and accounting standards is given in schedule 1. Additional disclosure requirements are set out in schedule 2.

## Appendix 1 – Operational Plan Monitoring (continued)

- 5 The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:
- fixed assets at their value to the business by reference to current costs; and
  - stocks at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.
- 6 This direction shall be reproduced as an appendix to the accounts.

Signed by authority of the Department of Education.

*Richard Cusack*

Dated 14 February 2006

### SCHEDULE 1

#### APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE (COMPANIES (NORTHERN IRELAND) ORDER 1986) AND ACCOUNTING STANDARDS

##### COMPANIES (NORTHERN IRELAND) ORDER

- 1 The disclosure exemptions permitted by the (Companies (Northern Ireland) Order) shall not apply to CCEA unless specifically approved by the Department of Finance and Personnel.
- 2 The (Companies (NI) Order) requires certain information to be disclosed in the Directors' Report. To the extent that it is appropriate, the information relating to CCEA shall be contained in the foreword.
- 3 When preparing its income and expenditure account, CCEA shall have regard to the profit and loss account format 2 prescribed in schedule 4 to the (Companies (NI) Order).
- 4 When preparing its balance sheet, CCEA shall have regard to balance sheet format 1 prescribed in schedule 4 to the (Companies (NI) Order). The balance sheet totals shall be struck at "total assets less current liabilities".
- 5 CCEA is not required to provide the additional information required by paragraph (33(3) of schedule 4 to the Companies (NI) Order).
- 6 The foreword and balance sheet shall be signed by the Accounting Officer and dated.

##### Accounting Standards

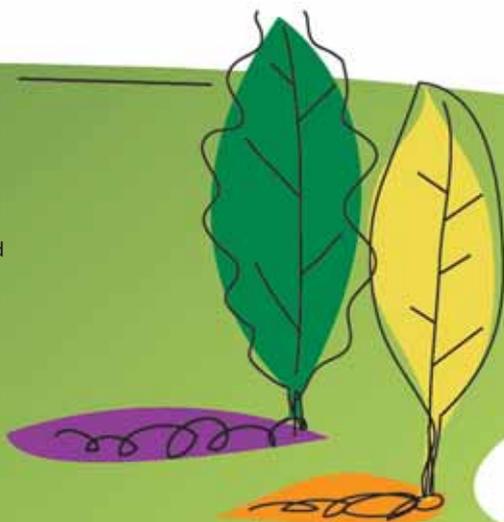
- 7 CCEA is not required to include a note showing historical cost profits and losses as described in FRS 3.

### SCHEDULE 2

#### ADDITIONAL DISCLOSURE REQUIREMENTS

- 1 The foreword shall, inter alia,
  - state that the accounts have been prepared in a form directed by the Department with the consent of the Department of Finance and Personnel in accordance with article 26 of the Education Reform (Northern Ireland) Order 1989.
  - include a brief history of CCEA and its statutory background.
- 2 The Notes to the Accounts shall include details of the key corporate financial targets set by the Department together with the performance achieved.





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