

The Sports Council for Northern Ireland
Annual Report and Accounts
For the year ended 31 March 2002

*Laid before the Houses of Parliament by the Department of Culture,
Arts and Leisure in accordance with Paragraph 12(2) and (4) of
the Schedule to the Northern Ireland Act 2000 and Paragraph 21
of the Schedule to the Northern Ireland Act 2000
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7 July 2005

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Chairman's Foreword

Sport plays an important role in the health, well-being and culture of people who live in Northern Ireland. It is one of the few activities that contributes not only to good health and physical fitness, but also to the development of personal qualities. It encourages co-operation and inter-dependence and provides an environment in which everyone, regardless of race, gender, social class or religion, can come together.

The objectives set for the Sports Council's Business Plan for 2002-03 are:

- Increasing the number of sporting opportunities in schools and communities;
- Increasing the number of volunteers equipped to develop participation by young people in sport and trained to encourage lifelong participation in sport;
- Increasing the number of opportunities made available through the sporting network;
- Establishing the UKSI-NI Network Centre to increase opportunities in NI;
- Identifying and supporting talented performers in NI;
- Raising the standard of coaching for high level performers; and
- To develop sport in line with best practice standards.

The Sports Council is guided in the setting of its annual and long-term objectives by the Strategy for the Development of Sport in Northern Ireland 1997-2005 and I am confident that all of the sporting outcomes achieved this year will ultimately contribute to the Northern Ireland Executive Programme for Government including working for a healthier people, investing in education and skills and growing as a community.

I would like to take this opportunity to thank the Minister for Sport Mr Michael McGimpsey MLA, the Culture, Arts and Leisure Committee of the Assembly, the Department of Culture, Arts and Leisure and our own Council and staff for their commitment and support throughout the year and I have great pleasure in commending this annual report to you.

Professor Eric Saunders
Chairman
Sports Council for Northern Ireland

Chief Executive's Statement

The Sports Council's Corporate Plan 2001–2004 identifies four strategic aims:

- Starting Well;
- Staying Involved;
- Striving for Excellence; and
- Promoting the good name and administration of sport.

The Sports Council has developed 16 programmes which are identified below. These represent the Sports Council's contribution towards achieving the targets set out within the Strategy for the Development of Sport in Northern Ireland 1997-2005, as well as those within the Programme for Government 2000 and the Department for Culture, Arts and Leisure's Corporate Strategy 2001-2004.

Under Strategic Aim One, Starting Well, there are three programmes: Youth Development, Club Development, and Community Development. Strategic Aim Two, Staying Involved, there are two programmes: networking between sports organisations and training and supporting volunteers. Strategic Aim Three, Striving for Excellence, there are three programmes: Coaches and Coaching, Sports Institute for Northern Ireland and Talent Identification. Under Strategic aim four, the Sports Council's programmes include: Quality Accreditation, Equity and Social Inclusion, Policy Planning, Research and Evaluation, Marketing and Corporate Services.

Among the key achievements during the year was the delivery of the Youth Sport Programme, which continues to grow from strength to strength. Its aim is to provide the best sporting opportunities for young people anywhere in the world. This year almost 1,500 courses were delivered to nearly 30,000 young people. As a result young people were given a vibrant, absorbing, satisfying experience of sport and the fun that can accompany it.

In support of the Youth Sport Programme, training and resource bags were delivered to Teachers in 650 schools.

One of the highlights of the sporting calendar for young people was the hosting of the second Golden Cow Youth Games in Belfast. Nineteen hundred young competitors from all over Northern Ireland gathered on Queen's Playing Fields for the largest multi-sport event ever held in Northern Ireland with participants taking part in 17 sports.

Another main achievement was the delivery of child protection training for voluntary sport. In partnership with the NSPCC £100,000 was secured for the appointment of an Advisory Officer and suite of training programmes.

A major step forward in improving facility provision was taken with the Safe Sports Grounds initiative dedicated to improving spectator safety at one Irish Rugby Football Union, three Irish League, and two Gaelic Athletic Association grounds.

I would personally like to pay tribute to those who have made a significant impact to sports development throughout the year including the Chairman, members and staff of the Sports Council, the Minister for Sport, the Culture, Arts and Leisure Committee of the Assembly, the Department of Culture, Arts and Leisure, and not least of all the many thousands of volunteers who make sport happen.

Eamonn McCartan
Chief Executive and Accounting Officer
Sports Council for Northern Ireland

Annual Report

1.0 Strategic Aim One - Starting Well

The Sports Council aims to enable as many people as possible, especially young people, to take up sport.

Under this aim the Sports Council's main programme areas are:

- 1.1 Youth Development
- 1.2 Club Development
- 1.3 Community Development.

1.1 Youth Development

Youth Sport continues to be the flagship programme of Youth Development. Youth Sport provides a system for young people to become involved in sport across Northern Ireland.

In 2001–2002, Youth Sport operated through Sports Development Officers (SDOs) and partnerships in five education and library boards (ELBs), with SDOs operating in the Western Education and Library Board. One hundred and fifty-five School Sports Co-ordinators managed by Sports Development Officers working within ELBs delivered 1,455 courses involving 29,987 young people across a range of sports. Two programmes, West and Foyle, operated on a cross border basis with schools in Foyle including coaches in school based curriculum time.

Fifty-two percent (52%) of primary schools in Northern Ireland use the principles and practices of Youth Sport in managing extra curricular sport. Sports Development Officers and School Sports Co-ordinators are currently reviewing primary schools involved in the initiative in an effort to bring more schools into the programme.

During the year the Sports Council piloted two, one-day-a-week school Sports Co-ordinators in each ELB in order to demonstrate effective practice and to enable a bid for further New Opportunities Fund (NOF) funding to roll-out a full programme.

A review of Youth Sport was completed in November and approved by the Sports Council in December.

The Sports Council assisted with a bid to the NOF (see below) under its Out of School Hours Learning programme and two bids to Peace II funding for groups in border areas to extend Youth Sport Programmes. The results of these bids will be reported in the Sports Council's report for 2002-2003.

1.1.1 New Opportunities Fund (NOF)

NOF developed a Capital Build Programme titled PE & Sport. The Sports Council is helping to deliver this £33.75 million programme in partnership with NOF. The Sports Council provides advice on best practice in planning for sports development.

Additional strategic assistance has been provided to NOF via Sports Council membership of the Cultural Forum and the NOF Northern Ireland Committee.

1.1.2 TOPs

TOPs is a UK Sports Trust Programme which aims to develop and deliver training and resource packs to increase sporting opportunity across Northern Ireland. This is achieved through a network of trained tutors. To date 650 schools and 600 community groups have received training and resource bags containing sports equipment.

1.2 Club Development

The second programme area under Starting Well is Club Development. Key targets for delivery included improvements to spectator safety for major sports grounds, through the Safe Sports Ground initiative, and the expansion of the Junior Clubmark Scheme.

1.2.1 Safe Sports Grounds (SSG)

The Safe Sports Grounds Programme aims to improve spectator safety at Northern Ireland's leading sporting venues.

A total of £846,894 was committed for three programme elements:

- safety management - £127,581; and
- capital works - £728,313.

Investments were targeted at soccer, rugby and gaelic football grounds to improve spectator safety, and included training and payment of stewards, emergency structural repairs and funding of major structural improvements.

Six awards were made to three soccer clubs, two GAA clubs and one to the IRFU (Ulster Branch) during 2001–2002.

Resources were used to upgrade physical infrastructure at the respective venues to reduce risks to spectator safety and enable the grounds to be managed in a more effective manner.

The Safety Management Programme assisted clubs and governing bodies with the training and provision of Safety Officers and Stewards at their fixtures in order to reduce the potential for incidents and accidents.

Case Study:

Portadown F.C. – A Safe Sports Ground award was made for the provision of a new 900 seater covered stand at Portadown FC. This stand has enabled the visiting spectators to view the game in a safe and comfortable environment. The new stand replaced an existing deteriorating and hazardous standing terrace.

1.2.2 Junior Clubmark Scheme

The Junior Clubmark Scheme was launched in 1999 to improve the quality of sporting opportunities for young people in clubs. Clubs must meet certain criteria in order to gain either the Junior Clubmark or Goldclub Awards and entails club officials undertaking training in clubs development.

Clubs accredited in 2001–2002.

Junior Clubmark	Junior Goldclub
Antrim Junior Squash Club	Ballinamallard Youth Football Club
Ardoyne Kickhams GAC	Ballymoney Hockey Club
Ards Rangers Juniors	Ballycran Camogie Club
Ballymena Rugby Football Club	Ballynahinch Rugby Football Club
Belfast United Women's/Girls' Football Club	Ben Dearg Camogie Club
Bright Gaelic Football Club	Cookstown Youth Football Club
Bryansford Ladies GAC	Downpatrick Life Saving Club
Castle Park Youth Soccer Club	East Down Athletics Club
City of Armagh Hockey Club	Irvinestown Lawn Tennis Club
Craigavon Aztecs Volleyball Club	Liatroim Fontenoys Junior Camogie Club
Northern Ireland Civil Service Ladies Hockey Club	Lisburn Ju Jitsu Club
Northern Ireland Civil Service Men's Hockey Club	Lurgan Ladies Hockey Club
Comber Recreation Football Club	NI Karate-Do Wado-Kai Central HQ Club, Belfast
Deirdre Camogie Club	Queen's Basketball Club
Down Junior Badminton Club	St. Patrick's GAC, Saul
Down Junior Netball Club	Tir na nOg GAC (Hurling Section)
Drumaness Camogie Club	Tir na nOg GAC (Football Section)
Gazelle Gymnastics Club	Coleraine Cricket Club
Gort Na Mona Camogie Club	Cookstown Swimming Club
Gort Na Mona GAA Club	Lisburn Swimming Club
Killen Youths Football Club	St. John's GAC
Limavady Cricket and Rugby Football Club (Rugby Section)	
Lisbellew Hurling Club	
Mossley Men's Hockey Club	
Na Magha Hurling Club, Londonderry	
Owenbeg Bowling Club, Downpatrick	
North Down Hockey Club, Comber	
Portaferry Camogie Club	
Templepatrick Cricket Club	
Triangle School of Soccer, Coleraine	

1.2.3 Club Development Officers Appointments

The Sports Council has supported three Club Development Officer appointments in 2001–2002; these are based in Craigavon Aztecs Volleyball Club, Lisburn Swimming Club and Armagh Hockey Club. These appointments have been made possible through a three-way partnership between the club, their local authority and the Sports Council. The aim of these posts is to increase club membership and improve club performance. An evaluation of the impact of these posts will be carried out in 2002–2003.

1.2.4 Club and Volunteer Development Training

In the course of the year, the Sports Council has supported the delivery of training courses across Northern Ireland. These courses have been targeted at coaches and sports administrators with the aim of improving the knowledge and skills of volunteers working in sport.

Course Title	No of Courses	No of Participants
Equity Training	20	300
Running Sport	9	105
Junior Club Development	10	134
Sport For All Leader Award	9	154

An independent evaluation undertaken by BDO Stoy Hayward on the impact of these training courses showed that training had a positive impact on individuals, clubs and communities, particularly in two key areas:

- the well-being of people and the communities in which they live and the overall quality of life; and
- the contribution training makes to wider social and economic agendas.

The evaluation led to a revision of the Sports Council's policy on training delivery. Consequently the Sports Council has decided that the delivery of training for sports volunteers will be contracted out to an appropriate training agency.

1.3 Community Development

The third programme area under the Starting Well aim is Community Development.

1.3.1 District Council Sports Development Officer Appointments

In partnership with District Councils this programme develops sporting structures and opportunities for people at local level. In particular, SDOs are involved in planning for the development of sport in their areas, recruiting and developing volunteers and coaches. The SDOs also play a big part in helping local organisations develop their own sporting programmes and events, which provide opportunities for talented performers to progress in their sport.

Plans for the appointment of four new SDOs in Londonderry, Carrickfergus, Larne and Banbridge are being progressed. It is expected appointments will be made in 2002-2003.

Over the past nine years 15 posts previously in receipt of Sports Council support, have been mainstreamed. This demonstrates the added value of such posts.

1.3.2 Community Based Sports Development Officers

The review of Sport for Young People displayed a need to offer increased support to the voluntary sector, in particular to create opportunities for disadvantaged groups and communities. The Sports Council has made a bid to Government for a Community Sport programme that would, if successful, support the appointment of 40 Community Sports Development Officers. These officers would be assisted by the appointment of 100 Community Sport Co-ordinators. This aspect of Sports Council business is due to commence in the Spring of 2003 provided the bid is successful.

2.0 Strategic Aim Two - Staying Involved

The Sports Council's second strategic aim is to enable as many people as possible to remain lifelong active participants in sport.

Two of the principal means of the achieving this aim are through networking between sports organisations and training and supporting volunteers.

2.1 Networking

The Sports Council fosters partnerships with a number of organisations in the voluntary, public and private sectors. Networking is an integral part of all the work of the Sports Council; only three examples of this are set out below.

Through its membership on the Sport and Education Forum the Sports Council is able to raise the profile of sport with partners in the education sector. This network helps to shape policy and programming in relation to Sports Council programmes that impact on schools, further education and higher education. Issues discussed and progressed this year were the new curriculum proposals and the Sportsmark quality accreditation scheme for schools.

2.2 Training and Supporting Volunteers

2.2.1 Child Protection

Child Protection continues to be a high priority for the Sports Council. The main aim of this work is the implementation of the Code of Ethics and Good Practice for Children's Sport. This is part implemented through training with governing bodies and clubs, to improve their policies, practices and procedures on Child Protection. This work is done in partnership with the NSPCC through the appointment of a Child Protection Advisory Officer. The value of this work has resulted in the Sports Council securing £100,000 from cross-departmental government funding for the successful implementation of work in this area.

2.2.2 Tollymore Mountain Centre (TMC)

The Sports Council has an ongoing commitment to encouraging committed participation and in improving performance in outdoor sports through the range of courses offered by the Centre. It does this through the provision of a wide range of suitable courses delivered at Tollymore. Tollymore is Northern Ireland's National Mountaineering and Whitewater Centre and seeks to introduce people to mountaineering and canoeing activities, to increase skill levels in these activities and to train coaches, leaders and instructors. During the year, Tollymore provided over 5000 participant days to individuals. The Sports Council also resourced and serviced the Northern Ireland Mountain Training Board (NIMTB) who's remit is to keep under review and to recommend to the Council, Northern Ireland schemes of training and qualifications designed to encourage, promote and develop safe leadership and instruction in specific activities, which have emerged from the exploration of mountains. A major achievement during the year was the commissioning of a benchmarking document, which recommends a number of changes to the structure and membership of the Board. These recommendations will be brought to Council in 2002.

A highlight of the year was the launch of the new Walking Group Leader Award, which seeks to increase accessibility to safe participation in low-level mountain environments. During the year, Tollymore staff continued to service the Northern Ireland Cliff, Cave and Mountain Rescue Co-ordinating Committee, to ensure the ongoing co-ordination and development of the relevant rescue services in Northern Ireland. Tollymore also manages Hotrock Climbing Wall, which is owned by the Mountaineering Council of Ireland. During the year, a number of events were held at Hotrock, including the All – Ireland Intervarsity Climbing Championships.

2.3 Countryside Access and Activities Network (CAAN)

The Sports Council support the activities of CAAN, which has responsibility for the strategic development and management of countryside recreation across Northern Ireland through guidance and investment. During the course of the year an independent strategic review on CAAN was undertaken resulting in corporate strategy for 2002 to 2005, which was endorsed by the Sports Council.

CAAN officially launched its Waymarked Ways and Ecotrails project in June 2001 and undertook strategic facilities in partnership with the governing bodies of canoeing, horse riding and off-road cycling. To further facilitate strategic planning in countryside recreation a Strategic Co-ordinator was appointed to develop and progress work in this area. In particular work commenced on the preparation of countryside recreation strategies for the Mourne, South Armagh, Co Fermanagh, the Antrim Coast and Glens and the Sperrins.

In January CAAN commenced a study on the future of the Ulster Way. It also undertook a pilot study on the preparation of a natural facilities database and continued its summer research programme on the Waymarked Ways.

The appointment of the Countryside Access Co-ordinator has allowed CAAN to commence training in respect to countryside recreation management.

3.0 Strategic Aim Three - Striving for Excellence

The third strategic aim of the Sports Council is Striving for Excellence, enabling all those who wish to reach their optimum levels of achievement to do so. This aim has three main programmes: Coaches and Coaching, Sports Institute for Northern Ireland and Talent Identification

3.1 Coaches and Coaching

Coaches and coaching play a major role in the development of athletes and those involved in sport. The Sports Council's seeks to promote and encourage development in this area in association with our strategic partners.

A key strategic partner is the Northern Ireland Institute of Coaching (NIIC) which aims to support the development of a network of quality coaches in Northern Ireland through the provision of education and training programmes. NIIC in partnership with governing bodies, local authorities and the further and higher education sector to deliver education and training.

In 2001–2002, 740 coaches were members of NIIC. Eighty-nine workshops were held involving 1,993 coaches. Thirty-nine tutors have been trained to deliver a range of coach education and child protection workshops. In addition the GAA were supported to train 38 child protection tutors.

Highlights of the year included:

- The Coach of the Year, the Coaching Conference which was expanded with over 50 coaches being recognised at the Awards ceremony hosted by UTV.
- The *Coaching, the Fundamentals* conference was held with over 180 coaches attending from across Northern Ireland.
- Award in Coaching Studies centre approval, and three began delivery of the award.

3.2 Sports Institute for Northern Ireland (SINI)

The Sports Institute for Northern Ireland is the centre of excellence for elite athletes and coaches in Northern Ireland. SINI is an integral element of the United Kingdom Sports Institute which is established realise world class sporting performances.

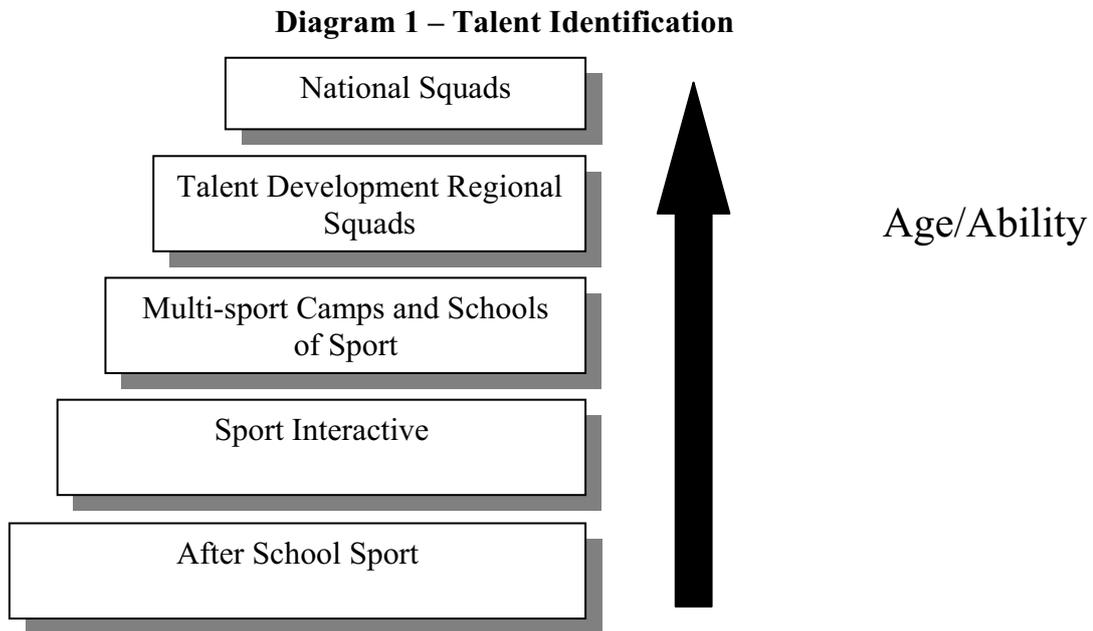
The Sport Institute is people focused and during the year a number of key appointments were made including:

- the Director of High Performance;
- a strength and conditioning coach; and
- an athlete career education appointment.

In addition the four prioritised sports rugby, Gaelic football, hockey and athletics have all advertised and recruited performance managers. Gaelic football, rugby and athletics have made appointments and Hockey plans to appoint in December 2002. The initial work of the three performance managers has been focused on the development and production of ‘high performance’ plans for their sports.

3.3 Talent Identification

The Sports Council has invested considerable resources in developing Performance Pathways that will enable young people, who are interested and committed to sport, fulfil their full potential and reach publicly recognised standards of performance. Diagram 1 below identifies the different stages of Talent Identification, which the Sports Council, working in partnership with others, aims to establish across all sports.



A major vehicle driving regional squad development is the Golden Cow Youth Games. The second Games took place in May 2001 and was a tremendous success involving almost 2,000 participants, 200 coaches, 300 officials and 75 volunteers.

Planning and preparations for the Youth Games is a year round activity and the squad development programme for the third Youth Games in May 2002 started in October 2001 with the five schools of sport. These took place across the five education and library board areas during the Halloween half term break involving 1,545 participants. The organisation of these schools of sport involved partnerships comprising governing bodies, education and library boards, district councils and the Sports Council, with emphasis placed on the quality of experience for the young person in terms of coaching, and the use of appropriate facilities. Following the two days of the Schools of Sport, regional squads were selected with the participants offered a further 10 coaching sessions leading up to what should be an even bigger Golden Cow Youth Games event in 2002. Over 21,00 participants received coaching across 14 sports.

An additional element in this year’s Regional Squad Programme has been the opportunity for coaches involved to consider their personal development through a continuous professional development programme. Forty coaches availed of this opportunity and received support from the Sports Council to attend generic and sports

specific workshops and courses, thus enabling them to further develop their coaching skills and knowledge.

3.4 Governing Body Investment

The support and assistance to governing bodies is a core part of Sports Council work. Each year the Sports Council invests almost £500,000 of funding in governing body programmes and this year a challenge principle was introduced to this funding for the first time. The main areas of investment in governing bodies cover the employment of staff, the development of coaching programmes and coaches, the development of officials and administrators, the preparation of squads for, and participation of competitors in, major competitions and the hosting of major home events.

Some of the results of this investment in 2001–2002 were:

- 44 governing body staff appointments supported;
- 1,000 coaches and 200 officials qualified or re-validated on accredited courses;
- 110 new coaching and competitive opportunities for young people created;
- support for the hosting of 27 major events attracting 3,243 competitors from 123 visiting countries;
- support for attendance at national competitions as well as 15 European, one Commonwealth and six world level events; and
- improvements in the provision of planning and membership services through the establishment of web sites, IT support, training for administrators etc.

In order to build capacity in the governing bodies the Sports Council invested £90,000 in the production of 20 strategic plans. This investment was aimed at ensuring a long-term holistic approach to the development of particular sports and to date 12 strategic plans have been completed and eight are at a final stage. In addition to this work the Sports Council has also invested in a review of the Northern Ireland Sports Forum, High Performance Plans for Boxing and Golf, and a strategic plan for 2+4 Wheel Motorsports. The results from these activities will be reported in the 2002-2003 annual report.

3.5 Sports Medicine

Sports medicine plays a vital role in helping prevent performers and participants getting injured and in recovering from injury. The Sports Council co-ordinated the production of a Strategy for the Development of Sport and Physical Activity Medicine in Northern Ireland 2001 to 2004. The strategy has a three-year timescale for implementation and its vision proposes that by 2004 the physically active population of Northern Ireland will have access to a wide range of sport and physical activity medicine services characterised by:

- a promotion of safe physical activity as a vital component of a healthy lifestyle;
- an effective referral structure which co-ordinates primary, secondary and tertiary care;
- an appreciation of the needs of everyone ranging from recreational participants to high performance competitors; and

- a high quality, evidence-based practice delivered by appropriately qualified and experienced practitioners who are committed to ongoing professional development and research.

The successful implementation of this strategy will result in improved performance through continued participation.

4.0 Strategic Aim Four - Promoting Sport

The fourth strategic aim is to promote the good reputation and efficient administration of sport.

This aim has seven programme areas including quality accreditation, equality and social inclusion, networking, policy planning, research and evaluation, marketing and corporate services.

4.1 Quality Accreditation

This programme offers quality accreditation in club, school and local authority development in order to create an incentive to improve the quality of provision of sport. During the year 51 clubs have been accredited with Junior Clubmark and a further five assessments are underway.

The Quest scheme is co-ordinated by the four Home Country Sports Councils and provides accreditation for leisure facility management and sports development, with the aim of continuously improving the quality of service and experience provided for the public. A Quest for Facility Management Kickstart workshop was held in Northern Ireland with 17 people attending and a Quest Internal Assessors course for Sports Development was also held with nine sports development officers in attendance. There are now a total of 14 centres registered for Quest in Northern Ireland. Ards Borough Council is the first council area in Northern Ireland to have all of its leisure centres Quest-registered and the University of Ulster at Magee is the first university facility in the UK to receive Quest registration. The Sports Council's work in the area of facility management will develop further in 2002–2003 with the establishment of a facilities team.

Other work undertaken with regard to quality accreditation over the year included a review of the Sportsmark Award.

4.2 Equality and Social Inclusion

4.2.1 Section 75 NI Act 1998

The Sports Council has worked to mainstream equality and good relations at all levels across the organisation. This has been achieved by establishing high level indicators in the 2001–2002 business and operational plans of the Sports Council. A number of impact assessments will be undertaken next year.

4.2.2 New Targeting Social Need (New TSN)

New TSN action plans with performance indicators were developed to ensure future funding is targeted at the areas of greatest need.

Research carried out included an evaluation of the Lottery Capital programmes effectiveness at targeting those areas of greatest need and a customer satisfaction survey, which has confirmed Lottery Fund's ability to make a contribution to New TSN. Similar research is planned for Exchequer funded programmes.

4.2.3 Community Relations and Sport

The Sports Council is committed to promoting community relations through sport and equality of opportunity for those who wish to participate in, observe, administrate and develop sport regardless of religious belief, political opinion or cultural identity. During 2001–2002 this was achieved through equity training for sports organisations, a major campaign - Sport Without Prejudice - and contributions to the work of the Sectarianism in Sport Steering Committee.

During the year specific governing bodies and flagship community sports projects, including the Upper Springfield Development Trust, Shankill Stadium, Waterworks and Brownlow Campus Trust, were supported to develop and deliver community relations programmes through sport. The Community Relations Officer position within the Sports Council was externally evaluated during 2001–2002. This evaluation highlighted the importance of the role of this officer within the Sports Council and the need for the promotion of generic good practice in relation to equity.

4.2.4 Women and Sport

In 1996, the Sports Council launched a Women in Sport Policy Directive. This Directive, which adopted the Brighton Declaration, highlighted the need to provide better opportunities for females to become involved in sporting activities.

As a consequence of the growing interest among young females in sports that have traditionally been male dominated, the Sports Council has worked with governing bodies of sport to ensure that their practices and procedures are fair and equitable. Sports Council identified women's team sports as an area that needed specific focus, and subsequently during 2001–2002 supported the development of a Women's Network for Sport in Northern Ireland. This organisation is an umbrella group for field based team sports including women's soccer, Gaelic football, rugby, hockey and camogie, and developed out of the Women's Millennium Sports Festival.

4.3 Policy Planning

The Sports Council as an Executive Non-Departmental Public Body continues to develop its corporate capacity to meet the challenges facing it. These stem from government initiatives, which seek to ensure the highest standards of behaviour and service for those in public life. These include accountability to the local Assembly, e-government, equality legislation and freedom of information.

4.3.1 Corporate Planning

The corporate planning process was accelerated to align the Sports Council's corporate plan and budget with the Northern Ireland Executive's funding cycles. The corporate plan for 2003-04 to 2005-06 was developed and put out to consultation with our key stakeholders. It will be finalised following the consultation process and the Comprehensive Spending Review due to be announced in September 2002.

4.3.2 Accountability

The Sports Council in consultation with the Department of Culture Arts and Leisure developed and agreed a Management Statement that governs the relationship between the two parties. A feature of this relationship was the introduction of quarterly meetings to review progress against the targets outlined in the agreed business plan. The Department was content that the Sports Council had met its agreed performance targets for the year.

4.4 Research and Evaluation

The Sports Council designed and invested in three significant pieces of research in 2001–2002. Firstly, the Sports Council and Queen's University Belfast began the first year of an 18-month study examining the impact of overseas personnel working in sport in Northern Ireland. The research methods are in-depth participant observation, case studies and interviews with fans and personnel. The report is due in January 2003. Case studies are being conducted in the sports of ice hockey, rugby, cricket and basketball.

Secondly, the Sports Council in partnership with the Centre for Leisure Research in Edinburgh, began a repeat survey of young people's involvement in sport. This is a follow-up survey to its baseline 1994 study. The survey will reveal a picture of young people's involvement in sport both in and out of school. It will also examine the attitudes young people have to sport.

Thirdly, the Sports Council has been involved in a study of Sport and Sectarianism with a team made up of members from the Office of the First Minister and Deputy First Minister, the Department of Culture, Arts and Leisure and consultants PriceWaterHouseCoopers, along with researchers from the University of Ulster. The research comprises a literature review, in-depth case study work, and interviews with a number of people involved in sport and a large scale survey of the attitudes of the adult population to sectarianism and sport. Reports are due to be published in the autumn of 2002.

The Sports Council will use the evidence from all of this research in the development of evidence-based policies.

4.5 Marketing

The marketing department is dedicated to promoting the good image of sport, and adds value to sport in an effective and efficient manner. Important to this promotion is the maintenance of a strong corporate bridge.

Highlights of the marketing programme include the launch of the new corporate brand which when evaluated identified brand awareness at 60%. A programme of activity to enhance this awareness continued on schedule and included:

- marketing campaigns;
- public relations events;
- press and media plan; and
- strategic media partnerships.

A series of marketing campaigns were implemented as part of the overall promotional package and included the Golden Cow Youth Games which with the use of TV, radio, billboard sites and in-store promotions achieved a recognition of over 70%, for the event and for the Sports Council's support.

The Sports Council's marketing strategy sought to create a favourable disposition in the minds of the public towards sports and the Sports Council's sub-programmes. It did this through the use of public relations events, approximately 120, and through the placement of 720 press releases and sports news stories in the national and regional press media.

A key element of the marketing strategy was to strategic media partnerships with the BBC, UTV, Belfast Telegraph and Irish News. This strengthened relationship was clearly evident: continued through:

- BBC hosting the Sports Council's Talented Athlete awards;
- UTV hosting the Coach of the Year awards;
- Irish News hosting a series of feature articles such as Women in sport;
- Belfast Telegraph hosting school sports via Class Action; and

4.6 Corporate Services

Corporate Services through its human financial and physical resources management contribute to the effective delivery of Sports Council programmes. Furthermore through the assistance given to key stakeholders for example governing bodies and community groups it contributes to the successful delivery of the Strategy for Sport. For example:

- The Finance Department provides an effective and efficient financial management service within the organisation and to governing bodies.
- ICT strategies were developed for the Sports Council and governing bodies to enable them to work more effectively and efficiently.

- The Human Resources Department provided effective and efficient human resource and facilities management to the Sports Council and to governing bodies. The mechanism for successful human resource development is to be found in the Sports Council's ongoing Investors in People initiative.

5.0 Conclusion

The implementation of the aforementioned programmes has successfully advanced the four strategic aims of sports Council:

- Starting Well;
- Staying Involved;
- Striving for Excellence; and
- Promoting the good name and administration of sport.

The outputs from these programmes are designed to increase participation, improve the performances of sports men and women and deliver more effective administration in sport. The outcomes from this investment will have an impact on the quality of life for the people of Northern Ireland. Research to be commissioned in 2002-03 will indicate the success of the Sports Council's business.

Foreword To The Accounts

Background Information

The Sports Council is an executive non-departmental public body sponsored by the Department of Culture, Arts and Leisure, established on 31 December 1973 under the provisions of the Recreation and Youth Service (Northern Ireland) Order 1973. Its object is the furtherance of sport and physical recreation and its principal functions are as provided by Article 3 of the Recreation and Youth Service (Northern Ireland) Order 1986.

(a) On matters relating to sport and physical recreation, to advise the Department and other Government departments, Education and Library Boards, District Councils and other bodies interested in sport and physical recreation;

(b) To encourage the provision of facilities for and participation in sport and physical recreation; and

(c) To assist, subject to Paragraph (4) of the article:

- the provision of administrative services, equipment, coaching and instruction; and
- the organising or supporting of, or participating in, international or other events, by bodies providing facilities for sport or physical recreation or organising such activities, and
- to assist, subject to Paragraph (4) the Article, bodies providing supportive services in connection with sport and physical recreation.

Article 5 of the 1986 Order as amended by the Financial Provisions (NI) Order 1991 provides that the Department may, subject to such conditions as the Department thinks fit, make grants towards the expenses of the Sports Council.

These financial statements have been prepared on an accruals basis and must show a true and fair view of the state of affairs of the Sports Council's activities at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

These accounts have been prepared in accordance with Article 7 of the Order and in a form directed by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel. A copy of the Accounts Direction can be found at page 55.

Business Review

A full review of Sports Council's activities is given on pages 2 to 20 of the Annual Report.

Results for the Year

The results of Sports Council are set out in detail on page 30. The income and expenditure deficit for the year was £162,670 (2001 deficit of £171,603)

Future Developments

The significant developments the Sports Council will focus on in the year 2002 - 2003 are:

- A review of the Council's policy on access to sport for people with disabilities;
- The implementation of the modernisation programme for Sports Council funded Governing Bodies of Sport;
- Planning for increased community development through sport; and
- Continued delivery of the Safety in Sports Grounds Programme.

Important Events Occurring After the Year End

There have been no significant events since the year-end that would affect these accounts.

Charitable Donations

The Council has made no charitable donations during the year.

Council Membership

The Council consists of a Chairman and Vice Chairman and other persons appointed by the Minister after consultation with representatives of District Councils, Education and Library Boards and participants in sport and physical recreation. Unless indicated otherwise, the members were appointed on 1 April 2000 for a term of three years.

The following persons served as members during the financial year 2001/02

Chairman:	Professor E D Saunders OBE (Chairman)
Vice Chairman:	C J G Shillington CBE DL JP (Vice-Chairman)
Members:	H Brady
	G Carson
	Dr M Cusdin
	J Davidson
	J Gallagher
	A Hamill
	M Hill
	N Mc Connell
	Dr M Murphy
	T Ringland
	J Sanderson
	R G Trouton MBE

Equality of Opportunity

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

Employees with a disability

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

Employee consultation

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

Payment to Suppliers

The Sports Council is committed to the prompt payment of bills for goods and services received in accordance with the Confederation of British Industry's Prompt Payers Code. Unless otherwise stated in the contract, payment is due within 30 days of the receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During the year 79% of bills were paid within this standard (2001: 85%): regular reviews aim to improve this percentage.

Eamonn McCartan
Chief Executive and Accounting Officer
Sports Council for Northern Ireland

28 April 2005

Statement of NDPB's and Chief Executive's Responsibilities

Under the Recreation & Youth Service (Northern Ireland) Order 1986, the Sports Council for Northern Ireland is required to prepare a statement of accounts in the form and on the basis determined by the Department of Culture, Arts and Leisure, with the approval of the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the Council'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 the Council is required to:

- Observe the accounts direction issued by the Department of Culture, Arts and Leisure, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Council will continue in operation.

The Accounting Officer of the Department of Culture, Arts and Leisure has designated the Chief Executive of the Sports Council as the Accounting Officer for Sports Council. The Chief Executive's relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the non-departmental public bodies Accounting Officer's Memorandum, issued by the Department of Finance and Personnel.

Eamonn McCartan
Chief Executive and Accounting Officer
Sports Council for Northern Ireland

28 April 2005

Statement of Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Sports Council for Northern Ireland's ("the Council") policies, aims and objectives set out by the Department of Culture, Arts and Leisure and the Council, whilst safeguarding the public funds and the Council's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The system of internal control is designed to manage rather than eliminate the 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 the principal risks to the achievement of the Council's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. I expect to have the procedures in place in March 2003 necessary to implement DFP guidance. This takes account of the time needed to fully embed the processes which the Council have agreed should be established and improve their robustness.

We have carried out appropriate procedures to ensure that we have identified the Council's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Council has set out its attitude to risk, to the achievement of the Council's objectives.

The Council has ensured that procedures are in place for verifying that aspect of risk management and internal control are regularly reviewed and reported on. There will be a full risk and control assessment before reporting on the year ending 31 March 2004. Risk management has been incorporated more fully into the corporate planning and decision-making processes of the Council.

The Council receives periodic reports concerning internal control. The appropriate steps are being taken to manage risk in significant areas of responsibility and monitor progress on key projects.

Following the identification of the Council's key objectives and risks, further work has been done to bring about more consistency in the way in which the Council treats risks.

In addition to the actions mentioned above, in the coming year the Council plans to:

- Regularly review and update the record of risks facing the organisation;
- Set up a system of key performance and risk indicators;
- Develop and maintain an organisation-wide risk register; and

- Arrange for a report on internal control activities to be submitted to the Chief Executive by the Council's Director of Policy, Planning and Resource Development.

The Council uses Deloitte and Touche to provide an internal audit service, which operates to the standards defined in the Government Internal Audit Manual and complies with Annex 4 of the Council's Management Statement. The work of the internal audit service is informed by an analysis of the risks to which the Council is exposed, and annual internal audit plans are based on this analysis.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors (who provide me with an Annual Statement of Assurance), the Audit Committee which oversees the work of the internal auditors, the Director of Policy, Planning and Resource Development (who has, along with the Lottery Director and Director of Sports Development) within the Council responsibility for the development and maintenance of the internal control framework, and by the external auditors through comments made in their management letter and other reports.

The reviews of the effectiveness of the systems revealed:

1. Irregularities were identified under the Safe Sports Ground programme. Following a review of the organisation's systems and procedures in this area, appropriate controls have now been put in place to ensure that these issues do not arise again.
2. The Sports Council for Northern Ireland commissioned Deloitte and Touche to undertake a review of the VAT procedures of the organisation. The review identified that the Sports Council for Northern Ireland had misapplied its partial exemption provisions. A voluntary disclosure was made to HM Customs and Excise and this resulted in a provision for a VAT liability in the accounts. The Sports Council for Northern Ireland has reviewed its method of calculating VAT to ensure that the issue does not happen again.

Eamonn McCartan
Chief Executive and Accounting Officer
Sports Council for Northern Ireland

28 April 2005

The Certificate and Report 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 on pages 30 to 54 under the Recreation and Youth Service (Northern Ireland) Order 1986. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 34 to 36.

Respective responsibilities of the Sports Council for Northern Ireland, the Chief Executive and Auditor

As described on page 25 the Council and the Chief Executive are responsible for the preparation of the financial statements in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and the Department of Culture, Arts and Leisure directions made thereunder and for ensuring the regularity of financial transactions. The Council and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 26 and 27 reflects the Council's compliance with the Department of Finance and Personnel's guidance 'Corporate governance: Statement on Internal Control'. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other financial information I am aware of from my audit of the financial statements.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council'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 are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

However, my audit of expenditure on projects within the Safe Sports Grounds programme revealed that payments during 2001-02 amounting to £95,869 were irregular on the grounds that they were based on fraudulent documentation and misrepresentations from applicants, in contravention of rules contained in Government Accounting Northern Ireland.

In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from the regularity of expenditure

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Sports Council for Northern Ireland at 31 March 2002 and of the deficit, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and directions made thereunder by the Department of Culture, Arts and Leisure; and
- except for expenditure on projects within the Safe Sports Grounds programme of £95,869, in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

See also my report on pages 56 to 64.

JM DOWDALL CB
Comptroller and Auditor General
23 May 2005

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

Income and Expenditure Account for the year ended 31 March 2002

	Notes	2002 £	2001 £
Income			
Grant from the Department of Culture, Arts & Leisure	2	3,536,324	4,423,988
Grant from Other Activities:			
European	3a	77,988	43,993
Other	3b	817,727	98,674
Income From Activities	4	546,876	607,003
Income from Lottery	4	572,603	500,108
Other Income	5	57,987	57,469
Total Income		5,609,505	5,731,235
Expenditure			
Staff Costs	6	1,754,810	1,495,636
Depreciation	7	57,950	58,403
Grants	8	2,522,316	3,028,662
Other Operating Costs	8	1,402,814	1,273,828
Notional Costs	9	34,285	46,309
Total Expenditure		5,772,175	5,902,838
Deficit for the Year		(162,670)	(171,603)
Credit in Respect of Notional Costs	9	34,285	46,309
Adjustment in respect of uplift of Grant		(37)	934
Amount Transferred to Reserves		(128,422)	(124,630)

All amounts above relate to continuing activities

The notes on pages 34 to 54 form part of these accounts

**Statement of Total Recognised Gains and Losses for the year ended
31 March 2002**

	Notes	2002 £	2001 £
Deficit for the year		(162,670)	(171,603)
Unrealised surplus on the revaluation of fixed assets	19	5,477	11,678
Total recognised losses for the year		<u>(157,193)</u>	<u>(159,925)</u>

The notes on pages 34 to 54 form part of these accounts

Balance Sheet as at 31 March 2002

	Notes	2002 £	2001 £
Fixed Assets			
Tangible Assets	7	339,476	310,254
Current Assets			
Stock	10	2,135	2,275
Debtors	11	328,313	241,060
Prepayments and Accrued Income	11	149,400	48,885
Grants Payable	11	1,543,612	1,546,045
Bank Account	14b	373,549	628,049
Cash	14a	88	460
		2,397,097	2,466,774
Creditors: amounts falling due within one year	15	724,388	798,998
Net Current Assets		1,672,709	1,667,776
Total Assets less Current Liabilities		2,012,185	1,978,030
Provisions	12	1,732,115	1,599,566
Total Assets less Total Liabilities		280,070	378,464
Financed By			
Accruals and Deferred Income			
Deferred government grants	18	318,547	294,033
Reserves			
Income & Expenditure Reserve	19	(59,406)	69,016
Revaluation Reserve	19	20,929	15,415
		280,070	378,464

Eamonn McCartan
Chief Executive and Accounting Officer
Sports Council for Northern Ireland

28 April 2005

The notes on pages 34 to 54 form part of these accounts

Cash Flow as at 31 March 2002

	Notes	2002 £	2001 £
Net cash (outflow) / inflow from operating activities	13.1	(255,169)	717,333
Capital expenditure			
Purchase of Fixed Assets	7	(86,204)	(21,832)
Disposal of Fixed Assets	7	4,000	-
Net cash (outflow) / inflow before financing		(337,373)	695,501
Financing			
Capital grants from DCAL	18	82,517	21,832
Lottery funding for SCNI Capital items	18	3,687	-
Deferred Grant released on Disposal of fixed assets	18	(4,509)	-
Adjustment to Prior Year Additions	18	806	-
(Decrease) / Increase in cash		<u>(254,872)</u>	<u>717,333</u>

The notes on pages 34 to 54 form part of these accounts

Notes to the Accounts for the year ended 31 March 2002

1. Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of fixed assets to current costs. The current costs of any of the year's transactions or closing balances, with the exception of land and buildings, is not considered to be materially different from the historic cost. In addition these financial statements have been prepared in accordance with the Recreation and Youth Service (Northern Ireland) Order 1986 and directions made thereunder by the Department of Culture, Arts and Leisure.

Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, insofar as those requirements are appropriate.

1.2 Basis of preparation

The accounts are prepared in a form directed by the Department of Culture, Arts & Leisure as approved by the Department of Finance and Personnel.

1.3 Income

Income is accounted for on a receivable basis and is matched to the expenditure that it finances.

All Revenue grant-in-aid from the Department of Culture Arts and Leisure and other sources is taken to the income and expenditure account for the year to which it relates.

Capital grant-in-aid from the Department is transferred to a deferred government grant account and an amount equal to the depreciation charge for the year is released to the deferred income account.

Fees or charges for services provided by the Council are determined in accordance with the Treasury's "Fees and Charges Guide"

A service level agreement operates between Sports Council exchequer and Lottery. This covers corporate services provided and charged for: the figure shown as Service to lottery activities in note 4 does not include any amount for rent. No liability has been recognised for rental income due.

1.4 Capital and Revenue Grants Payable

Where a grant offer is made, a commitment for the value of the offer will be recognised in the balance sheet as a liability (grants outstanding). Where the period of the grant offer extends beyond the end of the Sports Council's accounting period, any element of the grant which falls after the balance sheet date is recorded as a deferred grant and carried forward in current assets to be expensed in the following year.

1.5 National Lottery Costs

The Sports Council is required to apportion between its Grant-in-Aid and National Lottery Distribution activities, the costs of services provided from its Grant-in-Aid budget that are directly and demonstrably used on Lottery functions and vice versa.

The costs so apportioned to the National Lottery Distribution activities will be paid from the Lottery Fund to the Grant-in Aid account.

1.6 Research and Development

Research and Development costs are written off as incurred and not carried forward as an asset.

1.7 Fixed Assets

Fixed assets are stated in the balance sheet at cost, after applying a capitalisation limit of £1,000 to individual items and pooling of items costing more than £500 and which in aggregate total more than £5,000, and after taking into account the costs incurred in bringing the assets into use but not expenditure properly chargeable to the income and expenditure account. Depreciation has been provided using the straight line method so as to write off each asset, whether individual or pooled, over its estimated useful life. Depreciation is charged in full for the year in which the individual or pooled asset is acquired; no depreciation is charged in the year in which the individual or pooled asset is disposed.

Assets are depreciated over their useful lives as follows:-

Land & Buildings	Shorter of 50 years or balance of lease
Information Technology (Hardware & Software)	3 Years
Fixtures & Fittings	5 Years
Specialised Sports Equipment	5 Years
Vehicles	4 Years

An impairment review is carried out annually and any loss in value is charged to the Income and Expenditure Account.

Rent payable under lease agreements negotiated is regularly brought up to current market rates through periodic reviews. Where no economic benefits of ownership accrue, a lease is considered to have the characteristics, not of a financial arrangement, but of the provision of a service and is not capitalised.

1.8 Operating leases

Operating lease rentals are charged to the Income & Expenditure account in equal annual amounts over the lease term.

1.9 Notional Costs

These financial statements make provision for the notional cost of capital employed by the Council. The Income and Expenditure account includes the notional cost of capital employed by the Council calculated as 6% of the average capital employed over the financial year. Auditor's notional remuneration is also included as a notional cost. Full details of these costs are given in note 9.

1.10 Pension Costs

The pension cost in respect of employees is charged to the Income and Expenditure Account so as to recognise the cost of pensions over the employees' working lives.

1.11 Value Added Tax

The Council is treated as partially exempt for VAT purposes and can only reclaim a proportion of the VAT incurred. The unclaimed balance of VAT is charged to individual items of expenditure to which the VAT relates.

1.12 Debtors

Debtors mainly arise from regular users of services at House of Sport and Tollymore Mountain Centre. Bad debt provision is assessed annually.

1.13 Year End Creditors

Year-end creditors are recognised on the following basis:

1. As at close of business 31 March - goods and/or services actually received, put into stock or used.
2. The Purchase Ledger period twelve is closed off one week before the end of April to facilitate the timely completion of the quarterly vat return.
 - a. Invoices received after 1 April but before period twelve is closed off relating to goods and services received before year end are included at net of reclaimable VAT
 - b. Invoices received after period twelve is closed off are accrued at Gross cost i.e. inclusive of all VAT
3. Purchase orders are not included as Creditors.

1.14 Stock

Stock is stated at the lower of cost and net realisable value.

2. Grant from the Department of Culture, Arts and Leisure

	2002 £	2001 £
Exchequer Funding (Vote A)	3,614,842	4,445,820
Less transfer of capital element to deferred income	(78,518)	(21,832)
Total Grants from the Department of Culture Arts and Leisure	<u>3,536,324</u>	<u>4,423,988</u>

3a. Grant from Other Activities

	2002 £	2001 £
European Funding	77,988	43,993
Total European Grants	<u>77,988</u>	<u>43,993</u>

3b. Other Grants

	2002 £	2001 £
Grant – Other Sources	817,727	98,674
Total Other Grants	<u>817,727</u>	<u>98,674</u>

4. Income from Activities

	2002 £	2001 £
Sports Development	183,172	143,726
Tollymore Mountain Centre	184,641	193,040
Services to Partners	179,063	270,237
Total Income from Activities	<u>546,876</u>	<u>607,003</u>
Service to Lottery Activities	<u>572,603</u>	<u>500,108</u>

5. Other Income

Other income comprises transfers from the deferred government grants account of £57,987 (2001 £57,469)

6. Staff Costs

	2002	2001
	£	£
Gross Wages and Salaries	1,453,496	1,325,301
Social Security costs	98,507	96,829
Other pension costs	119,399	62,728
Early Retirement Costs	83,408	10,778
Total	<u>1,754,810</u>	<u>1,495,636</u>

All the above staff costs were incurred by the Sports Council for Northern Ireland and a proportion recharged to the Lottery Distribution Account. The average number of full-time equivalent persons employed by the Sports Council for Northern Ireland and deployed on Exchequer duties was 50 (2001: 51 employees)

Early retirements costs incurred during the year were in respect of Robin Mitchell and Pat Rodgers (2001: Ann McDowell)

The Sports Council for Northern Ireland operates a special bonus scheme (see CSC 19/89), which makes provision for payments of special bonuses to reward exceptional performance in particularly demanding tasks or situations at any time in the year. These special bonuses take the form of taxable, non-pensionable, lump sum payments. During 2002 4 awards were made, totalling £1,400 (2001: 3 awards were made, totalling £2,500)

Under terms and conditions of service, staff are entitled to an issue of luncheon vouchers to the approximate value of 65p per day. The entitlement for full time staff is 55 vouchers per quarter issued quarterly in advance. Part time staff are entitled to luncheon vouchers on a pro rata basis to the full time equivalent.

Chief Executive's Remuneration

The Chief Executive's total remuneration including employer's costs in 2002 was £69,596 (2001: £65,688). He is an ordinary member of the Northern Ireland Local Government Officers' Superannuation Committee scheme. The Chief Executive was appointed in June 1994 for a contract period of five years. The contract was renewed in 1998 for the period up to 31 March 2004.

A total of 15% of the Chief Executive's costs have been apportioned to the Lottery Distribution Account to cover time spent on Lottery activities. For the year 2002 this amounted to £10,439 (2001 £9,853). The balance has been charged to the Exchequer accounts.

Council Members Emoluments

The Chairman and Vice-Chairman of the Council received honorariums totalling £10,650 and £3,000 respectively in 2002 (2001 £11,548 and £3,029). The cost of the Vice-Chairman's honorarium was apportioned to the Lottery Distribution Account. No emoluments were paid to other Council members in respect of Council activities. The Council does not pay any pension contributions on behalf of the Chairman or Vice-Chairman.

Pension Costs

The Sports Council for Northern Ireland participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (the NILGOSC scheme). 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 employee and employer contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method. The results of the most recent valuation, which was conducted at 31 March 2001, were as follows:

Main assumptions:

Rate of return on investments per annum	6.55 %
Rate of general increase in salaries per annum	3.8 %
Rate of pension increases per annum	2.3 %
Market value of scheme's assets (£000's)	£2,293,700
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, after allowing for future salary increases	121 %

The surplus is being amortised over the remaining service life of the current membership, a period of around 12 years.

Contributions for the year were as follows:

	2002	2001
	£	£
Employers	51,512	58,785
Employees	66,642	71,902
Total	118,154	130,687

The real increase in the value of accrued pension at 31 March 2002 for senior employees is shown below. All those listed participate in the NILGOSC scheme. The salary figures shown below include a salary increase arising from the Sports Council's performance appraisal system. The total accrued pension figures have been supplied by NILGOSC.

	Age	Salary	Real increase in pension at age 60	Total accrued pension at 31/3/2002
		£	£	£
Eamonn McCartan <i>Chief Executive</i>	49	60,876	950	5,833
Shaun Ogle <i>Director of Sports Development (from July 2001)</i>	42	38,367	1,749	6,474
Fergus Donnelly <i>Director of Policy Planning, and Resource Development</i>	49	42,911	673	8,759
Nick Harkness <i>Lottery Director</i>	39	42,027	1,544	9,303

Benefits in Kind:

The above salaries are inclusive of £154 luncheon vouchers.

7. Fixed Assets

	Buildings	Specialist Sports Equipment	Furniture and Fittings	Motor Vehicles	Computer Equipment	TOTAL
	£	£	£	£	£	£
Cost or Valuation						
At 1 April 2001	282,610	10,643	33,996	43,588	143,956	514,793
Additions	5,505	0	1,972	23,192	55,535	86,204
Disposals	0	0	0	(19,509)	0	(19,509)
Revaluation	5,477	0	0	0	0	5,477
At 31 March 2002	<u>293,592</u>	<u>10,643</u>	<u>35,968</u>	<u>47,271</u>	<u>199,491</u>	<u>586,965</u>
Depreciation						
At 1 April 2001	(22,421)	(7,784)	(18,372)	(27,147)	(128,815)	(204,539)
Provided during year	(12,417)	(2,129)	(5,597)	(7,853)	(29,991)	(57,987)
Backlog Depreciation	37	0	0	0	0	37
Disposals	0	0	0	15,000	0	15,000
Revaluation	0	0	0	0	0	0
At 31 March 2002	<u>(34,801)</u>	<u>(9,913)</u>	<u>(23,969)</u>	<u>(20,000)</u>	<u>(158,806)</u>	<u>(247,489)</u>
Net Book Value						
At 31 March 2001	<u>260,189</u>	<u>2,859</u>	<u>15,624</u>	<u>16,441</u>	<u>15,141</u>	<u>310,254</u>
At 31 March 2002	<u>258,791</u>	<u>730</u>	<u>11,999</u>	<u>27,271</u>	<u>40,685</u>	<u>339,476</u>

The net book value of buildings comprises:

	2002	2001
	£	£
Short leasehold	<u>258,791</u>	<u>260,188</u>

Buildings refer to the Tollymore Mountain Centre, which was valued by the Valuation and Lands Agency (VLA) on 1 April 1999 at an open market value of £266,261. The valuation has been indexed each financial year to modify it to current cost. The Centre will be professionally valued again on 31 March 2003.

The leases entered into in respect of the land at Tollymore Mountain Centre and Altnadue Quarry have been expensed to the Income and Expenditure Account (see note 16).

8. Operating Costs

	2002 £	2001 £
Travel & Subsistence	94,796	102,141
Recruitment	28,075	3,732
Training	40,083	72,811
Publications, Printing & Stationery and IT Consumables	112,951	102,298
Telephones & Postage	117,915	97,769
Professional Fees / Consultancy Fees	341,728	165,468
Repairs & Renewals	75,721	72,314
Loss on Disposal of Fixed Asset	509	-
Quality Initiatives	2,085	1,579
Insurance	39,473	40,720
Rent & Rates	88,482	90,192
Heat & Light	30,748	28,761
Caretaking & Cleaning	24,919	17,313
Sundry Expenses	41,121	53,527
Office Overheads	-	* 61,029
Bad Debts Written Off / Cash Loss	130	12
Committees, Receptions & Publicity	56,525	60,949
Promotions & Sponsorships	11,139	8,520
Photography	4,344	7,003
Information Services, Journals & Subscriptions	2,854	4,982
Sports Development	179,389	255,291
Coaches	13,827	22,193
Feasibility Studies	16,000	5,224
Provision for Input VAT Reclaimed in Error (Including Interest Payable)	80,000	-
Total Other Operating Costs	<u>1,402,814</u>	<u>1,273,828</u>
Sports Development Grants	523,094	450,917
Safety in Sports Grounds Grants	1,329,488	1,961,197
Governing Bodies Grants	669,734	616,548
Total Grants	<u>2,522,316</u>	<u>3,028,662</u>
Total Costs	<u>3,925,130</u>	<u>4,302,490</u>

* In 2001 for management accounting purposes Office Overheads were charged to internal projects. The corresponding credit was posted to Income from Activities. In 2002 this practice was discontinued.

Rent charged to the income and expenditure is based on a non-commercial arrangement with the Department Culture, Arts and Leisure.

9. Notional Costs

The income and expenditure account bears a non-cash charge for interest relating to the use of capital by the Sports Council for Northern Ireland. The basis of the charge is 6% of the average capital employed by the Sports Council for Northern Ireland during the year, defined as total assets less total liabilities.

	2002	2001
	£	£
Notional cost of capital	19,756	29,421
Notional Auditors remuneration	14,529	16,888
Total notional Costs	<u>34,285</u>	<u>46,309</u>

10. Stock of Luncheon Vouchers

	£
Opening Stock 1 April 2001	2,275
Receipts	7,778
Issued to Staff	(7,918)
Closing Stock 31 March 2002	<u>2,135</u>

11. Debtors and Prepayments (amounts due within one year)

	2002	2001
	£	£
Trade Debtors	328,313	241,060
Grants Payable	1,543,612	1,546,045
Sub total	<u>1,871,925</u>	<u>1,787,105</u>
Prepayments and Accrued Income	137,893	46,327
VAT	8,627	2,450
Advances – Control Account	2,880	108
Sub Total	<u>149,400</u>	<u>48,885</u>
Total	<u>2,021,325</u>	<u>1,835,990</u>

12. Provisions

Grant commitments at 31 March 2002

	2002 £	2001 £
Safety in Sports Grounds	1,019,551	1,128,516
Sports Development	524,061	417,529
Total	<u>1,543,612</u>	<u>1,546,045</u>

Pension Commitments at 31 March 2002

	2002 £	2001 £
Pension Commitments	108,503	53,521
Total	<u>108,503</u>	<u>53,521</u>

VAT Commitments at 31 March 2002

	2002 £	2001 £
Provision for Input VAT Reclaimed in Error (Including Interest Payable)	80,000	-
Total	<u>80,000</u>	<u>-</u>

Following an inspection by HM Customs and Excise and a review carried out by Deloitte and Touche an error has been found in the way the Sports Council calculated input VAT under its partial exemption provisions. This has resulted in the Sports Council over claiming input VAT and an estimated sum of £80,000 (including interest) has been provided for in the accounts to the year to 31 March 2002.

13.1 Net cash outflow from operating activities

	2002	2001
	£	£
Deficit for the year	(162,670)	(171,603)
Depreciation	57,950	58,403
Loss on disposal of assets	509	-
Notional cost of capital	34,285	46,309
Deferred grant income	(57,987)	(57,469)
Decrease in stock	140	30,976
(Increase)/decrease in debtors	(185,335)	152,013
Increase in creditors	57,939	658,704
Net cash (outflow)/inflow from operating activities	<u>(255,169)</u>	<u>717,333</u>

13.2 Reconciliation of Net Cash Inflow/(Outflow)

	2002	2001
	£	£
Cash in bank and in hand at 1 April 2001	628,509	(88,824)
Net cash (outflow)/inflow	(254,872)	717,333
Cash in bank and in hand at 31 March 2002	<u>373,637</u>	<u>628,509</u>

14a. Petty Cash

	2002	2001
	£	£
Petty Cash – 1 April	460	308
Petty Cash – 31 March	88	460
Net Movement in Petty Cash	<u>(372)</u>	<u>152</u>

14b. Cash at Bank

	2002	2001
	£	£
Cash/ (Overdraft) at start of year	628,049	(89,132)
Net cash (outflow)/inflow	(254,500)	717,181
Cash in bank at end of year	<u>373,549</u>	<u>628,049</u>

15. Creditors (amounts falling due within one year)

	2002	2001
	£	£
Trade Creditors	163,716	88,943
Other creditors including taxation	8,376	2,145
Accruals	264,758	156,066
Deferred Income	287,538	551,315
Finance Leases	-	529
Total	<u>724,388</u>	<u>798,998</u>

16. Leases

At 31 March 2002 the Sports Council for Northern Ireland had annual commitments under non-cancellable operating leases as set out below:

	2002	2002	2001	2001
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£
Operating leases which expire:				
Within one year	769	5,698	725	-
Within two and five years inclusive	3600	21,367	3,469	-
Over five years	36,131	-	37,031	-
Total	<u>40,500</u>	<u>27,065</u>	<u>41,225</u>	<u>-</u>

17. Capital Commitment

Amounts contracted but not provided in the financial statements total £19,641 (2001: £nil).

18. Deferred Capital

Capital Allocations not yet released to income and expenditure account

	£
At 1 April 2001	(294,033)
Fixed Assets Purchased	(86,204)
Adjustment for previous years	(806)
Disposal of Fixed Assets	4,509
Released to income and expenditure account	57,987
At 31 March 2002	<u>(318,547)</u>

19. Reconciliation of Movements in Reserves and General Fund

	Income and Expenditure Reserve £	Revaluation Reserve £	Total £
At 1 April 2001	69,016	15,415	84,431
Transfer from I&E Account	(128,422)	-	(128,422)
Adjustment to grant release related to revalued fixed assets	-	37	37
Surplus on revaluation of fixed assets arising in year	-	5,477	5,477
At 31 March 2002	<u>(59,406)</u>	<u>20,929</u>	<u>(38,477)</u>

20. Performance Against Key Financial Targets

Direct Running Costs

In 1999/2000 the Department agreed to the Council's baseline for Net Direct Running Costs of £117,000. The Council was to achieve 10% savings over a three-year period. The actual outturn for 2001/02 was £54,430.

Carryover

The Council's financial memorandum states that the Council may carry forward from one financial year into the next, any unexpended balance up to a limit of 2% of the total authorised Grant-in-Aid for the entire year.

	£
Grant-in-Aid received	3,536,324
2% of the Grant-in-Aid received	<u>70,726</u>
Total Assets less Total Liabilities (including cash at bank and in hand)	280,070
Less Fixed Assets	(339,476)
Total Carried Forward	<u>(59,406)</u>

The Council is therefore within the 2% carry forward limit.

21. Contingent liabilities

The Sports Council for Northern Ireland entered into an agreement with the Lottery Fund whereby the Sports Council for Northern Ireland must provide alternative equivalent office accommodation to the Lottery Fund in the event that the Sports Council for Northern Ireland moves office until 31 March 2005.

22. Related Party Transactions

The Sports Council is a Non-Departmental Public Body sponsored by the Department of Culture, Arts and Leisure.

The Department of Culture, Arts and Leisure is regarded as a related party. During the year the Sports Council has had various transactions with the Department and with other entities for which the Department of Culture, Arts and Leisure is regarded as the parent Department. None of the Council Members, key managerial staff or other related parties has undertaken any material transactions with the Sports Council for Northern Ireland during the year.

As a matter of policy and procedure, Council Members and staff maintain publicly available registers of interests and declare any direct interest in grant applications made to Sports Council for Northern Ireland and any commercial relationships of the Council.

Several members of the Sports Council and key management staff are also involved in other sports organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. They do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned together with details of those who declared an interest is detailed below. All the transactions relating to these organisations were conducted at arms length by the Council.

The following transactions are considered to be disclosable Related Party Transactions in respect of Council Members and Senior Staff.

Senior Staff

Grant	Organisation	Individual	Relationship
£ 49,600	Northern Ireland Athletics Federation	M Allen <i>Project Officer</i>	Coach
		D Seaton <i>Project Officer</i>	Management Committee Member
		P Moffitt <i>Mother of A Moffitt</i>	Chairman of Track and Field Committee
£1,000	Golfing Union of Ireland	E McCartan <i>Chief Executive</i>	Registered Player
		F Donnelly <i>Director Policy Planning & Resource Development</i>	Registered Player
		J Darragh <i>Project Officer</i>	Registered Player
		R Mitchell <i>Former Head of Administration and Finance</i>	Registered Player
		R Thompson <i>Brother in law of J Poots: Performance Sport Manager</i>	Registered Player

Senior Staff (Continued)

Grant	Organisation	Individual	Relationship
£1,000	Northern Ireland Ladies Golfing Union	E Bailey <i>Office Manager Chief Executive's Office/Council Secretariat</i>	Registered Player
		J Poots <i>Performance Sport Manager</i>	Registered Player
		C Harkness Wife of N Harkness: Director of Lottery	Registered Player
		C Mitchell Wife of R Mitchell: Former Head of Administration and Finance	Registered Player
£31,500	Ulster Branch Irish Hockey Union	S Wilson <i>Project Officer</i>	Member
		Robin Mitchell <i>Former Head of Administration & Finance</i>	Member
		C Mitchell <i>Wife of R Mitchell: Former Head of Administration and Finance</i>	Member
£22,300	Ulster Womans Hockey Union	C & K Mitchell <i>Wife and Daughter of R Mitchell: Former Head of Administration and Finance</i>	Members

Senior Staff (Continued)

Grant	Organisation	Individual	Relationship
£5,000	Canoe Association of Northern Ireland	N Harkness <i>Director of Lottery</i>	Member
		O Hallissey <i>Project Officer</i>	Member
		T Fisher <i>Project Officer</i>	Member
£5,000	Mountaineering Council of Ireland	N Harkness <i>Director of Lottery</i>	Member
		T Fisher <i>Project Officer</i>	Member
£23,381	Antrim GAA	J Darragh <i>Project Officer</i>	Member
£47,332	Derry GAA	M McGeehan <i>Father of S McGeehan: Project Officer</i>	Member of Derry County Executive Committee
£20,607	Womans Millennium Sport Festival	S McGeehan <i>Project Officer</i>	Former Employee
£19,820	Ulster Squash Racket Association	J Poots Performance Sport Manager	Member
£14,785	Ulster Branch Tennis Ireland	D Thompson <i>Sister of J Poots: Performance Sport Manager</i>	Member
£19,948	Royal Yachting Association	D Todd <i>Brother in law of J Poots: Performance Sport Manager</i>	Member
£34,200	South Eastern Education and Library Board	C Harkness <i>Wife of N Harkness: Director of Lottery</i>	Member

Senior Staff (Continued)

Grant	Organisation	Individual	Relationship
£2,000	Coaching Northern Ireland	B Ball	Seconded Employee from the Sports Council

Council Members

Grant	Organisation	Individual	Relationship
£24,221	Derry City Council	J Sanderson	Employee
£158,888	Irish Rugby Football Union	T Ringland	Former Committee Member
£2,100	North Eastern Education and Library Board	N McConnell	Employee
£18,065	NI Gymnastics Association	M Murphy	Child Protection Officer
£21,464	Sports Institute Northern Ireland	I Gourley Partner of M Murphy	Employee
£17,676	UB Badminton Union of Ireland	D Gourley Father in law of M Murphy	Former President
£13,238	Belfast Youth Sport Development Group	M Cusdin	Queens University Representative
£1,000	Golfing Union of Ireland	M Cusdin	Registered Player
£30,268	Northern Ireland Cricket Association	M Cusdin	Queens University Representative
£5,714	Sport Belfast	M Cusdin	Queens University Representative
£17,676	UBBadminton Union of Ireland	P Bell Sister of M Cusdin	Member
£37,191	Disability Sports Northern Ireland	M Hill	Member

Council Members (Continued)

Grant	Organisation	Individual	Relationship
£24,156	Omagh Town Football Club	M Hill	Coach
£31,500	UB Irish Hockey Union	M Hill	Member
£6,300	Western Education and Library Board	M Hill	Employee
£26,667	Youth Sport Foyle	M Hill	Chairman of Management Committee
£3,000	Youth Sport Roe Valley	M Hill	Western Education and Library Board Representative on the Management Committee
£10,000	Youth Sport West	M Hill	Secretary of the Management Committee
£2,000	Coaching NI	M Murphy M Cusdin	Member Member

23. Losses During Year

No bad debts were written off during the year. (2001: £12). A cash loss totalling £130 was written off during the year. (2001: Nil)

24. Derivatives and other Financial Instruments

FRS13 requires disclosure of the role which financial instruments have had during the period, in creating or changing the risks the Sports Council for Northern Ireland faces in undertaking its role.

The Sports Council for Northern Ireland does not use financial instruments to manage financial risks associated with its underlying business activities and the financing of those activities. Nor does it undertake any trading activity in financial instruments.

25. Post Balance Sheet Event

There have been no significant events since the year which would affect these accounts.

**SPORTS COUNCIL FOR NORTHERN IRELAND – ACCOUNTS
DIRECTION**

**ACCOUNTS DIRECTION GIVEN BY THE DEPARTMENT OF CULTURE
ARTS AND LEISURE WITH THE APPROVAL OF DEPARTMENT OF
FINANCE AND PERSONNEL, IN ACCORDANCE WITH THE
RECREATION AND YOUTH SERVICE (NORTHERN IRELAND) ORDER
1986**

The annual 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 year end. Subject to this requirement the Sports Council for Northern Ireland shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years in accordance with:

- a. Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance;
- b. 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;
- c. any other specific disclosures required by the Department;

Except where agreed otherwise with the Department of Finance and Personnel, in which case the exception shall be described in the notes to the accounts.

Signed by the authority of the Department of Culture, Arts and Leisure

Nigel Carson
Director of Culture and Recreation Division

3 May 2001

**SPORTS COUNCIL FOR NORTHERN IRELAND ACCOUNTS
2001-02 AND 2002-03**

Safe Sports Grounds Programme

1. The Sports Council has distributed some £9.5m (£3m in 2000-01 and £2.5m in 2001-02 and £4.0m in 2002-03) of grants to various governing bodies of sport, community organisations and clubs, on behalf of the Department of Culture, Arts and Leisure (the Department). The Sports Council's responsibilities include the administration of the Safe Sports Grounds Programme. This was launched in August 2000 to address urgent safety concerns highlighted in the report 'Safety at Sports Grounds in Northern Ireland'.
2. Funding for the programme included specifically allocated amounts of some £2.95m (£1.6m in 2000-01, £0.5m in 2001-02 and £0.85m in 2002-03) from the Department. The total value of grants awarded by the Sports Council under this programme amounted to £5.1m (£3.2m in 2000-01, £0.9m in 2001-02 and £1.0m in 2002-03) which consisted of 140 separate awards to 33 clubs. Payments totalling £4.1m had been made by March 2003 (£1.6m in 2000-01, £1.2m in 2001-02 and £1.3m in 2002-03).

NIAO Audit of 2000-01 Sports Council Accounts

3. In my report on the 2000-01 Sports Council Accounts I highlighted my concerns on two key issues relating to the Safe Sports Ground programme. Firstly the Sports Council processed interim payments to a number of projects in advance of need. The reason given in the letters sent to the recipient bodies was 'to ensure maximum spend within the financial year'. The Sports Council told me this funding was not eligible to be carried forward and consequently any unspent balance at the year-end was potentially lost to the Programme. I was also advised that there were paramount safety concerns which needed to be addressed (as per the review at Safety at Sports Grounds 1997 report issued by the Health and Safety Agency for Northern Ireland) and that delay could have jeopardised both the individual projects and the overall urgent safety objective of the Programme. I considered that the payments were irregular and in contravention of the rules contained in Government Accounting Northern Ireland.
4. Secondly I raised concerns in relation to the Sports Council's assessment of the financial viability of applicants. I noted that none of the applicants were refused on that basis and highlighted individual examples of clubs which had evidence of financial difficulties. The Sports Council indicated that financial viability was only one of four assessment criteria agreed with the sponsoring Department and whilst an applicant may have scored poorly on this criterion, the safety risk to spectators may have been such that the project nonetheless scored sufficiently highly to secure funding.

Letter of Concern to the Sports Council about Attempted Fraud

5. In my previous report I noted that Safe Sports Ground grant was awarded at a specific percentage rate of estimated allowable expenditure. Capital grants were awarded at a specific percentage of estimated expenditure, up to a maximum of 85% (some as low as 21%). The terms and conditions of an award were set out in the letters of offer and required written acceptance by two signatories on behalf of the applicant. The contribution from clubs could therefore vary considerably but must as a minimum have been 15 per cent of the allowable expenditure on the project.
6. On 23 January 2001, a letter was received by the Sports Council. This letter enclosed a document which appeared to be written by an applicant who had received an offer of award from the Sports Council. The document (copy of a letter) stated:

‘I believe there has been a serious misunderstanding about the ‘Club Input’ of 15%. It is the understanding of all the clubs who received grant that this was to be simply a ‘paper figure’ The clubs however are building these sums into their costings in such a way that the full grant received will cover the work done.’
7. The Sports Council advised me that on receipt of the letter they took a series of measures:
 - due to the concerns raised legal advice was sought, on 31 January 2001, regarding the details outlined in the document. The legal advice received from the solicitor stated that: ‘.....this letter on its own does not amount to fraud’;
 - on 1 February 2001, Sports Council officers met with officials from the Department to advise them of the letter and the legal advice obtained. At this meeting all those present agreed that fraud or attempted fraud had not taken place at this time. This decision was based on the fact that no payments had been made, no claims for payment submitted or paperwork received and legal advice stated that the letter in itself did not constitute fraud or suspected or attempted fraud; and
 - in order to ensure that any misunderstandings by grant recipients were addressed, the Department and Sports Council officers agreed that the Sports Council would take the following actions: (per minute of the meeting)
 - One-to-one meetings with all clubs in receipt of a Major Works award, including awards under the Safe Sports Ground programme;
 - All clubs are issued with a letter identifying the need for the 15% cash contribution and the required action should attempted fraud be identified;
 - All clubs to sign a declaration (signed by their Chairman, Secretary and Principal Consultant) which confirmed understanding of the partnership contribution and the clubs’ responsibility for robust accounting procedures;
 - All permission to proceed letters to be released forthwith on condition that all necessary requirements are met; and
 - No further funds are to be released until clubs have signed and returned their declarations.

8. I asked why the Sports Council believed that it could rely on such declarations. The Sports Council advised me that the signed declarations by the applicants in receipt of an offer eliminated the possibility of any misunderstanding. At this time it was the opinion of the Sports Council, the Department and the Sports Council's Solicitors that fraud or attempted fraud had not taken place, and this approach was agreed as the most appropriate course of action.
9. In my opinion:
 - the practice of relying on a signed declaration was inadequate and unlikely to deter those determined to engage in fraudulent applications or claims for funding;
 - the Sports Council did not adequately recognise or assess the high risk elements of this programme;
 - subsequent to the receipt of the letter of concern the Sports Council did not put in place appropriate controls early enough to ensure that any attempted fraud would be detected and prevented; and
 - the Sports Council did not ensure timely evidence was obtained that the clubs made their contribution towards the cost of the scheme.
10. The matters highlighted in the letter of concern should have alerted the Sports Council and the Department to the need for a timely and comprehensive review of the risks involved and to put in place appropriate controls and safeguards at the Sports Council to avoid any misappropriation of funds. This would have reduced the risk of fraud under the Safe Sports Ground programme prior to the Sports Council making payments under this scheme.
11. The Department is required to let the Department of Finance and Personnel (DFP) and the Northern Ireland Comptroller and Auditor General have details of all discovered fraud proven or suspected. I asked the Department why I had not been notified at this point and I was told that this issue was brought immediately to the attention of the Department and after discussion and taking account of legal advice obtained by the Sports Council at the time, it was the view of the Department that this did not warrant proceeding further with the fraud policy. The Sports Council and the Department therefore concentrated on taking steps to mitigate the possibility of any misunderstanding. Those steps were agreed at the meeting held on 1 February. When the detailed investigation (January 2003) indicated that there was clear evidence of suspected frauds the Sports Council and Department put their respective fraud policies into action and the Department notified DFP and NIAO forthwith.
12. Sports Council internal documentation dated January 2001 set out the background to the Sports Council fraud suspicions. It is my view that this documentation together with the letter of concern made it clear to the Sports Council and the Department that this was an attempt to manipulate the grant system to obtain funds to which there was no entitlement. In addition, where a department or NDPB finds it necessary to obtain legal advice on fraud this in itself should be disclosed. There was therefore a clear requirement to notify this matter to DFP and myself.

Investigation of Individual Safe Sports Ground Awards

13. In December 2002 (during the 2001-02 NIAO audit), my staff raised queries on a number of issues relating to the Safe Sports Grounds programme. In an effort to provide full responses and to further support the Sports Council's monitoring of grant expenditure, the Sports Council appointed consultants in January 2003 to undertake an independent investigation of the Safe Sports Ground's capital grants. The objectives of the investigation were to:

- provide evidence that the grant in aid paid to clubs by the Sports Council was used for the purposes for which it was given;
- provide evidence that the clubs made their respective contribution towards the cost of the scheme and that it was used for the purposes of the scheme; and
- review the financial controls that the Sports Council have in place for the programme and make recommendations for future programmes.

14. The consultants thus undertook an independent investigation of the capital payments under the Safe Sports Grounds programme of £3.2m in the first two years of the scheme. This represented 55 separate awards to 26 clubs. The findings of the investigation revealed a high incidence of irregularity in the Safe Sports Grounds programme and noted that the majority of these irregularities related to the Urgent Works awards the payments for which totalled £656,000 during the three year period.

15. The investigation proved satisfactory for 33 of the awards. Issues were identified by the consultants in the other awards included:

- the Sports Council required grant recipients to tender their projects and to obtain Sports Council permission to proceed (PTP) using the selected contractor or supplier. Five grant recipients had made payments to contractors or suppliers not named in the PTP letters issued by the Sports Council;
- seven grant recipients submitted false invoices in support of claims, e.g. grant recipients submitted (false) invoices from the PTP contractors, but instead paid lesser amounts to other contractors, thereby increasing the proportion of the project funded by the Sports Council; and
- cash payments were claimed to have been made to contractors, either by the grant recipient or by persons on behalf of the grant recipient. It was not possible to verify these payments.

16. In addition to the above:

- the investigation activity appeared to result in three grant recipients making payments to their suppliers/contractors following commencement of their individual project investigations. This ensured that they met the terms of the Sports Council investigation; and
- the amounts recoverable from clubs were in some instances an estimate as there were queries outstanding and documentation still needed to support the validity of the amounts still retained by clubs.

17. The investigation specifically identified issues relating to 10 clubs. Of these 10 clubs, nine had received £137,123 (£49,957 in 2000-01 and £82,869 in 2001-02 £4,297 in 2002-03) more grant than they were entitled, because the actual payments they made to contractors or suppliers were less than the amounts included in grant claims submitted to the Sports Council. In an additional case, in respect of an award to the value of £130,000, investigation work could not be completed as information was not available. This was passed to the PSNI for further investigation.
18. Overall the findings of the investigation found that estimated overpayments from the Sports Council totalled £267,123 based on current information and the level of expenditure that could be verified by the club's financial records. £130,824 was paid to unapproved contractors (non PTP).

Action by the Sports Council following the Investigation

19. I asked what follow up work the Sports Council undertook subsequent to the investigation and was advised that as findings emerged from the investigation the Sports Council took immediate action. These actions included a requirement that all recipients agree to additional terms and conditions of award including:
 - all receipts and payments relating to the project be accounted for through a dedicated bank account (restatement of an existing condition);
 - all payments to contractors/suppliers to be made by cheque only;
 - with the exception of professional and statutory fees, payments only to be made to contractors/suppliers named in the PTP letter(s) issued by the Sports Council;
 - payments to contractors/suppliers to be made promptly and no later than two weeks after the receipt of the related grant monies;
 - the grant recipient must present signed cheques to the Sports Council for mailing in respect of all payments relating to the project; and
 - prior to payment of a claim, the grant recipient must submit bank statements showing that the invoices to previous claims were paid in full.
20. Furthermore, the Sports Council met with grant recipients to advise them of the concerns raised during the independent investigation and that any overclaimed grant should be paid immediately to the relevant contractors or returned to the Sports Council.
21. Where it was considered possible that grant recipients had supplied false information the Sports Council notified the PSNI, the Department and the Northern Ireland Audit Office. This was in accordance with the agreed Sports Council Fraud policy.
22. Seven grant awards were reported to the PSNI on suspicion of fraud following the outcome of the investigation. The Sports Council has had notification that prosecution will not be pursued in three cases. To date the Sports Council awaits the completion of the PSNI investigations relating to the remaining cases.

Recovery of Grant Overpayments

23. I asked the Sports Council what progress they had made in determining the final level of overpayments and recovering these amounts of grant to clubs. The Sports Council told me that as a result of the above Sports Council actions, eight grant recipients settled disputed amounts of £87,644, by either making:
- appropriate payments to contractors/suppliers; (£83,455) or
 - refunding the Sports Council. (£4,189).
24. The Sports Council further advised me that of the 10 grant recipients with whom the investigators had concerns (see paragraph 17), eight have now fully resolved their financial position. Of the two remaining cases, one has not supplied sufficient information for the investigation to be completed and the other continues to dispute the findings. £179,479 grant funding remains outstanding on these cases.
25. The Sports Council has informed me that in both these cases, the facilities have been completed to a design and quality approved by the Sports Council and are presently being utilised. The Sports Council recognises that there are issues, which need to be resolved in relation to these grants. However the Sports Council has commissioned independent consultants to value the work undertaken by the clubs, in order to quantify if the work completed to date, is of a value equivalent to the costs against which the clubs were funded by the Sports Council. While final reports are not yet available, the Sports Council report that early indications are that the completed works at both clubs are at least to the value of the cost against which they were funded.
26. In the absence of the appropriate financial records it is not possible to determine the true cost of building work by the clubs, and in my view:
- the use of unapproved or unidentified contractors to complete building work is not a defensible basis for completion of government funded projects;
 - the Sports Council should ensure that monies provided to clubs are spent in adherence with the terms of the Letter of Offer; and
 - in these circumstances the payment of grant based on valuation certificates does not provide necessary financial information on the use of public funds.
27. Also, in view of the fact that the investigation by independent consultants found that false documentation was submitted in seven cases and four are being considered for prosecution, I asked the Sports Council how many of those responsible for false invoicing and documentation are still in a position of authority in clubs and whether it was satisfied that sufficient action has been taken to ensure that they will not be involved in vouching for or processing any future claims for public money. The Sports Council told me that the Council has included all clubs in question on a high-risk alert status within its Grants Management Information System. This means that any application for funding from these clubs will automatically be deemed high risk and will be assessed within the risk management framework and have appropriate monitoring attached. In addition the PSNI investigations are on-going and no fraudulent acts have been proven against any individual. Without proof of fraud the Sports Council believe

it could be challenged if it attempted to force the removal of an individual from office in a recipient club or deny a club access to their programmes.

Sports Council Financial Controls over Safe Sports Grounds Awards

28. The Sports Council has a responsibility to have robust procedures in place to ensure that information provided by applicants for government grants is consistent and reliable based on an informed review of the documentation available to the Sports Council. A number of weaknesses in the Sports Council control procedures were identified by the independent investigation. The main areas were as follows:

- responsibility for review and assessment of documents submitted by claimants were not clearly set out in the procedures manual;
- in two cases the Sports Council did not undertake appropriate actions to link project monitoring to information provided on the tendering declaration form;
- original invoices were not always required as Sports Council placed reliance on architect's certificates. (This was established Sports Council practice at the time);
- there were some delays in final grant payments;
- whilst the Sports Council increased the frequency of site visits in relation to the programme, the monitoring of projects carried out by Sports Council could have been improved;
- in one case the Letter of Offer did not identify all elements of the project; and
- whilst a fraud procedures manual and staff training were in place there were instances where indicators of fraud were not identified.

29. The investigation concluded that:

‘It is considered that the action taken by Sports Council in imposing additional conditions on awards is an appropriate response to the findings emerging from the investigation. The additional conditions unquestionably strengthen the control environment.’ Also, ‘The action already taken by Sports Council in imposing additional conditions of award will act to detect and even prevent the types of irregularities which the investigation has revealed.’

30. However, in my view the attempted fraud and widespread irregularities in the scheme could have been prevented by the application of what should be well established control procedures in the administration of grants. The procedures should have been proportionate to the inherent high risk nature of the programme.

Improvements in Sports Council Procedures

31. Public Bodies need to be alert to warning signs indicating potential fraud and act promptly on them. Where risks were identified in the financial element of the assessment I am concerned that the Sports Council did not more closely monitor the financial position and procedures of clubs during the project and when clubs applied for payment of these funds. I asked the Sports Council what further action they were taking to develop and implement procedures within the Sports Council and they advised me that:

- in addition to improvements already reported, the Sports Council had worked with the Department and independent accountants to undertake a Strategic

- Level Risk Assessment in relation to the design of the future programme; and
- that policies and procedures across all programmes are under constant review. Improvements will always take account of recommendations made during independent audits (internal and external), thus ensuring the systems are strengthened. The following areas have had recent enhancements:

- *Policy* – *Revised Risk Assessment Policy;*
- *Procedural Improvements* – *Revised Procedures Manuals;*
– *New Computerised Grants Management System;*
– *Revised Project Management Procedures;*
- *Staffing Issues* – *Fraud Training Updated; and*
– *Strengthened Finance Team.*

Department of Culture Arts and Leisure

32. The Department is responsible for ensuring that the financial and other management controls applied by the Department to the Sports Council are appropriate and sufficient to safeguard public funds, and for monitoring the Sports Council's compliance with those controls. The Department must be satisfied that the internal controls applied by the Sports Council conform to the requirements of regularity, propriety and good financial management. I asked the Department how it had addressed the risk of fraud during the design of the Safe Sports Ground Scheme, and what measures it asked the Sports Council to put in place to prevent and detect fraud. The Department told me that the systems and procedures established to administer the Safe Sports Grounds programme were based on those already in place for other capital programmes. The risks posed by the new programme were not considered at that time to be inherently different thereby meriting a new risk assessment. In addition, the measures taken to further strengthen procedures following the letter of concern were regarded, at the time, as sufficient to prevent fraud on the basis of the issues highlighted in the letter. The fact that the Sports Council immediately brought the matter to the attention of the Department and that it was considered at the highest levels is evidence of the seriousness with which the matter was treated.

33. The Sports Council have subsequently revised their grant payment procedures to incorporate the recommendations made as a result of the investigation and 15 staff involved in the grant process will be undertaking training this autumn to improve their skills in this area. The Department will also be carrying out an independent audit of the Sports Council to ensure that audit recommendations are being implemented, that appropriate steps have been taken to ensure understanding of, and compliance with, fraud procedures and to ensure that a proper risk assessment process is applied to new and existing funding programmes.

34. I informed the Department that in future I would expect to see a well documented risk assessment as part of their consideration of any scheme.

Conclusions

35. I consider that payments by the Sports Council during 2001-02 amounting to £95,869 were irregular on the grounds that they were based on fraudulent documentation and misrepresentations from applicants, in contravention of rules contained in Government Accounting Northern Ireland. As a result I qualified my opinion on the accounts in respect of the matters reported at paragraphs 5 to 34 above.

JM DOWDALL CB
Comptroller and Auditor General
23 May 2005

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