Department of Education Annual Report and Accounts
For the year ended 31 March 2021

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DEPARTMENT OF EDUCATION

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Abbreviations and terms used

AAP	Annual Action Plan
ALBs	Arm's Length Bodies
AME	Annually Managed Expenditure
AMPS	Assembly Members’ Pension Scheme
ARAC	Audit and Risk Assurance Committee
ASB	Aggregated Schools’ Budget
ASU	Analytical Services Unit
BREEAM	Building Research Establishment Environmental Assessment Method
BTMM	Baker Tilly Mooney Moore
C&AG	Comptroller and Auditor General
CARE	Career Average Revalued Earnings
CAG	Centre Assessed Grades
CCEA	Council for the Curriculum, Examinations and Assessment
CCMS	Council for Catholic Maintained Schools
CEO	Chief Executive Officer
CETV	Cash Equivalent Transfer Value
CFERs	Consolidated Fund Extra Receipts
CFS	Common Funding Scheme
CLA	Children Looked After
CnaG	Comhairle na Gaelscolaíochta
COBR	Cabinet Office Briefing Rooms
COLO	COVID-19 Link Officers
CPD	Construction and Procurement Delivery
CPI	Consumer Prices Index
CQSD	Curriculum, Qualifications and Standards Directorate
CRR	Corporate Risk Register
CSSC	Controlled Schools’ Support Council
CSP	Civil Service Pension
CTA	Common Travel Area
DAERA	Department for Agriculture, Environment and Rural Affairs
DDA	Disability Discrimination Act
DE	Department of Education
DEL	Departmental Expenditure Limits
DfC	Department for Communities
DfE	Department for the Economy
DOC	Departmental Operations Centre
DoF	Department of Finance
DoH	Department of Health

DoJ	Department of Justice
DP	Development Proposal
DSF	Delivering Schools for the Future
DSO	Departmental Solicitor's Office
DUP	Democratic Unionist Party
EA	Education Authority
EITP	Early Intervention Transformation Programme
EMA	Education Maintenance Allowance
EOTAS	Education Otherwise than at School
ETI	Education and Training Inspectorate
ETS	Education Technology Services
EU	European Union
FD	Finance Department
FReM	Financial Reporting Manual
FSA	Fresh Start Agreement
FSM	Free School Meal
GAD	Government Actuary's Department
GAR	Governance and Accountability Review
GDPR	General Data Protection Regulation
GMI	Grant Maintained Integrated
GRtL	Getting Ready to Learn
GTCNI	General Teaching Council for Northern Ireland
HEI	Higher Education Institutions
HM	Her Majesty's
HMRC	Her Majesty's Revenue and Customs
HR	Human Resources
HSC	Health and Social Care
IAS	International Accounting Standard
IASB	International Accounting Standard Board
ICO	Information Commissioner's Office
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IM	Information Management
ITE	Initial Teacher Education
LCM	Legislative Consent Motion
LL	Learning Leaders
LO	Liaison Officers
LPS	Land and Property Services
MARS	Management and Recording System
MCA	Middletown Centre for Autism
MPMNI	Managing Public Money Northern Ireland
NDNA	New Decade New Approach
NDPB	Non Departmental Public Bodies
NEBM	Non-Executive Board Members

NI	Northern Ireland
NIAO	Northern Ireland Audit Office
NICIE	Northern Ireland Council for Integrated Education
NICS	Northern Ireland Civil Service
NISRA	Northern Ireland Statistics and Research Agency
NITC	Northern Ireland Teachers' Council
OBC	Outline Business Case
ONS	Office of National Statistics
PAR	Programme Assessment Review
PfG	Programme for Government
PHA	Public Health Agency
PPE	Personal Protective Equipment
PSEP	Pre-School Education Programme
PSNI	Police Service of Northern Ireland
RICS	Royal Institution of Chartered Surveyors
RMF	Risk Management Framework
SCS	Senior Civil Servant(s)
SDP	Strategic Development Programme
SEN	Special Educational Needs
SEP	School Enhancement Programme
SOAS	Statement of Outturn against Assembly Supply
SOCNE	Statement of Comprehensive Net Expenditure
SSEC	Strule Shared Education Campus
SSPPD	Sustainable Schools Policy and Planning Directorate
SSSLG	Special Schools Strategic Leadership Group
T:BUC	Together: Building a United Community
TEO	The Executive Office
TIMSS	Trends in International Mathematics and Science Study
TPL	Teachers' Professional Learning
TSS	Teachers' Superannuation Scheme
UK	United Kingdom
UNCRC	United Nations Convention on the Rights of the Child
VAT	Value Added Tax
VG	Voluntary Grammar
YCNI	Youth Council for Northern Ireland

DEPARTMENT OF EDUCATION ANNUAL REPORT

PERFORMANCE REPORT

1. OVERVIEW

The purpose of this overview section is to outline the Department's purpose, key objectives and the key risks to the achievement of its objectives, and how the Department has performed during the year.

1.1 Statement from the Permanent Secretary

The 2020-21 year was unprecedented, both for the Department and wider society. It presented many unique challenges, most notably in responding to the COVID-19 pandemic, within a context of the return of the devolved institutions, uncertainty surrounding European Union (EU) Exit and a challenging financial position. This year also saw the retirement of the previous Permanent Secretary, Derek Baker, who had led the Department with distinction, not only in responding to recent challenges, but also in the years preceding this.

At the start of the year, in response to the pandemic, the Department diverted significant resources to its COVID-19 response, particularly the rapid establishment of the Education Restart Programme to plan for and co-ordinate work to support the safe return to education. This work continued throughout the year in response to subsequent Northern Ireland (NI) Executive decisions. Recovery from the impact of COVID-19 remains a key area of focus.

Throughout 2020-21, the Department worked closely with stakeholders across the education sector and beyond as it tackled the challenges of education delivery in a COVID-19 environment. The Department ensured that guidance was appropriate and kept up to date in line with current public health advice, by continuing to engage with the Department of Health (DoH) and the Public Health Agency (PHA) throughout the pandemic. The Department met regularly with key stakeholders (including a practitioners' group made up of school principals from across the education sector and trade unions) to discuss the current situation and to address concerns and amend guidance as required.

The Department successfully mobilised policy and operational responses to COVID-19 including: providing emergency financial support aimed at helping the childcare sector deal with the immediate challenges of the pandemic; direct payments in lieu of Free School Meals (FSM) to ensure that families are able to feed their children during COVID-19 related school closures; and funding for the pre-school sector to assist with remote learning and the safe restart of face-to-face learning in pre-schools, including provision of information and communication technology (ICT) resources for non-statutory pre-school providers.

In addition, the Department continued to progress and deliver a significant breadth of important work to develop education policy and improve operational delivery of education during the year, including in the key areas of Special Educational Needs (SEN), Early Years, Shared Education and Area Planning.

The progression of this work demonstrates how effectively the Department has engaged with a diverse range of stakeholders including other NI Departments, Departmental arm's length bodies (ALBs), sectoral bodies, and other organisations and individuals who support the ongoing delivery of high quality education and related support and services for our children and young people.

None of this would have been possible without the extensive, sustained commitment and dedication of Departmental staff throughout the year, particularly in responding to the COVID-19 challenges across the sector and in seamlessly adapting to different working practices. I am immensely grateful for the support they have shown me and my predecessors during these unprecedented times.

Going forward, the Department will undoubtedly continue to face significant challenges in 2021-22 as a result of the COVID-19 pandemic and continued financial pressures. This will present challenges within the Department, across our ALBs, our schools and other education settings and, most importantly, in supporting our children and young people in overcoming the impact of the last year. I am confident that the Department will continue to rise to meet these challenges in supporting our children and young people.

Mark Browne (Dr)
Accounting Officer

1.2 Non-Executive Board Members' Report

Introduction

It could not have been predicted that the COVID-19 pandemic would continue to dominate and impact our society and public services on the global scale that it has done over the past 18 months, and indeed continues to do so. During the year, pandemic surges and subsequent government restrictions and fluctuating public health regulations to contain its spread, presented unprecedented challenges and risks for the Department.

Notwithstanding the highly unpredictable environment, the Department continuously adapted its COVID-19 response: to protect vulnerable children and young people and maintain educational progress during lockdowns; to facilitate alternative awarding arrangements for examinations; and, more recently, to deliver the phased, safe restart of face-to-face services. A significant factor in this success was the commitment and team efforts of Departmental staff who worked under continuous pressure to maintain as near to normal services as possible under very abnormal circumstances. The Board and the Audit and Risk Assurance Committee (ARAC) are very grateful to all staff for their dedication in this regard.

Beyond COVID-19, the Department has also seen a change of Permanent Secretary, as well as the final stage of the United Kingdom (UK) leaving the EU during the year. A focus going forward will be the continued rollout of the Restart Programme, which will be critical in restoring services and delivering educational outcomes, and importantly will incorporate valuable lessons from the past year into rebuild plans.

Departmental Board

The Board met remotely seven times in 2020-21 and, in addition to regular COVID-19 briefings, it covered standing agenda items on financial performance and budgetary pressures, business planning, policy and strategy, risk management, Human Resources (HR) and key issues affecting Non-Departmental Public Bodies (NDPBs). It continued to receive briefings on the Department's response to the COVID-19 crisis at every meeting, including the ongoing rollout of the Restart Programme. This included how the Department managed the complex challenges and risks brought about by COVID-19, such as keeping children and young people safe, especially those who are most vulnerable, whilst ensuring education services are delivered through the remote learning platforms.

Specific challenges around alternative exam arrangements were compounded by variations in COVID-19 regulations at different times of the year, balancing the need for child safety with educational attainment. All of this was also set against a backdrop of intense scrutiny from the media and public alike. In addition to pandemic updates, the Board also received periodic updates on the Strule Shared Education Campus (SSEC) Programme, Education and Training Inspectorate

(ETI) activity and the UK leaving the EU as we neared the final January 2021 deadline.

With regard to financial performance, it has been a unique year with the year-end position delivering a small underspend against budget. The Finance team has successfully managed oversight of additional COVID-19 funding, including the complex distribution and monitoring of spend in the Department's NDPBs. The financial challenges of previous years have been replaced by a much improved in-year financial position at school level due to the additional allocations made available to the sector to address COVID-19 responses and the extended closure of schools. Given the latter, and the general fluidity of these exceptional circumstances, some of the COVID-19 funds remained unspent and had to be surrendered for reallocation by the NI Executive in-year. However, this has been largely offset by additional unforeseen pandemic costs including payments in lieu of FSM, the School Holiday Food Grant scheme and the distribution of additional electronic devices to support children during home schooling.

With regard to the Education Authority (EA), the Board sought assurances regarding its financial and governance risks and issues throughout the year. The need to closely monitor COVID-19 funding, especially by the EA in relation to schools' spend, has helped to further cement relationships and collaborative working with EA colleagues.

Internal Audit has continued to provide independent assurance throughout the year, and the Board was pleased that resourcing pressures in the team have been largely resolved. The Board also looks forward to the Independent Review of Education which will provide an independent stance on key areas of activity and areas requiring transformation.

The Board noted the departure of Derek Baker as outgoing Permanent Secretary during the year and is extremely grateful for his exemplary leadership to the Department over almost four years. His successor, Dr Mark Browne, is welcomed as the new Permanent Secretary, joining in March 2021. It is hoped that the outstanding Non-Executive Director role can also be recruited in the coming months to ensure the Board composition and skills mix continues to meet best practice and provides independent and constructive scrutiny.

ARAC

The ARAC sat five times during the year, with all meetings held online in accordance with public health guidance. In addition to its customary support to Board on risk and governance issues throughout the year, the ARAC was also briefed at every meeting on the Department's response to COVID-19 and on the current status of the General Teaching Council NI (GTCNI), which continues to remain in "special measures". Bi-monthly updates on NDPBs were also presented throughout the year, as well as an update on the NDPB Partnership Agreement and Cyber Security.

The ARAC concluded a "satisfactory" assessment of its own effectiveness during the year through the self-assessment process. The annual workshop with DE

ALB ARAC Chairs was delayed until June 2021 due to resourcing pressures and the requirements of social distancing as a result of COVID-19.

Given the heightened risk borne out of COVID-19, the Committee continued to seek assurance around known risks in the EA, including in relation to the two largest ICT projects being taken forward (the Education Technology Services (ETS) Programme (the C2k replacement system) and the EA One Project (the replacement Finance, HR and Payroll system) and specifically around child protection and safeguarding of vulnerable children.

Looking Ahead

The extent of the unprecedented challenges faced over the past year, which are likely to continue, albeit to a lesser degree, in the year ahead were significant. The full residual impact of COVID-19 is also likely to take years to manifest.

The focus and the recovery path for the year ahead will include the Restart Programme, support for children with SEN, the provision of the School Holiday Food Grant scheme and initiatives such as the Engage programme to support children going forward. Governance and risk management will continue to be of critical importance in keeping the Department assured in the year ahead and Restart will continue to demand careful orchestration of services and resources to manage pupil and teacher safety within public health guidelines.

The Department and its staff should be commended on how they have effectively managed the challenges of the past year, ensured the safeguarding of children and young people and supported the delivery of educational outcomes under extremely difficult conditions. The lessons learned throughout this experience will be hugely valuable in navigating the uncertainties and further challenges that lie ahead.

Joan McEwan
Lead Non-Executive Board Member

1.3 Purpose, objectives and strategy of the Department

DE is responsible for setting policy, strategy and for the central administration of education and related services in Northern Ireland. Its vision is *"a system that is recognised internationally for the quality of its teaching and learning, for the achievements of its young people and for a holistic approach to education".*

DE has a wide and complex range of functions, impacting on all areas of a child's wellbeing. As well as being responsible and accountable for the quality of education in grant-aided schools, youth organisations and those offered by early years' providers, it also has responsibility for leading the development of the Executive's Children and Young People's Strategy and its Childcare Strategy.

During the 2020-21 financial year, DE was headed by the Minister of Education, Peter Weir MLA, whose principal advisor was the Permanent Secretary. Derek Baker, who was appointed the DE Permanent Secretary on 27 February 2017, and who retired in November 2020. He was replaced by acting Permanent Secretary Lianne Patterson until the appointment of Dr Mark Browne from 1 March 2021.

During 2020-21, the NI Executive developed and consulted on a draft Programme for Government (PfG) Outcomes Framework which sets out the priorities it wishes to pursue to improve the wellbeing of all citizens. When finalised and agreed by the Executive, the Outcomes Framework will provide the strategic context for the Executive's future work programme. Initially, it is intended that it will give focus to the COVID-19 Recovery Strategy, but it must also become the basis for the actions and programmes needed to build long-term societal change. While the PfG outcomes are therefore still subject to refinement and agreement at Executive level, it is fully expected that there will be an outcome relating to "*Our children and young people have the best start in life***"**. While the Department will have a role to play across many of the PfG outcomes, it is likely to lead on this outcome:

The Department is also taking forward a number of actions pertaining to education contained in the *New Decade, New Approach* (NDNA) agreement.

Alongside a new PfG, the Department will develop a multi-year Corporate Plan which is expected to come into effect early in the new Assembly mandate in 2022. The Department currently operates under annual Business Plans.

Due to the impact of the COVID-19 pandemic, the original draft DE Business Plan for 2020-21 had to be stood down and a completely refreshed Business Plan developed, with the COVID-19 response at its core. As a first step, the existing corporate goals and strategic priorities were revised, as set out below. Secondly, a new set of actions for the year ahead, focused on dealing with the impact of COVID-19, were developed and subsequently agreed by the Departmental Board in August and approved by the Minister in September.

The Department's 2020-21 Business Plan set out six corporate goals:

1. Ensuring continuity of learning for children and young people during the COVID-19 pandemic.

2. Improving the wellbeing of children and young people, including supporting those who are vulnerable or who have SEN.

3. Increasing access and improving the learning environment for all.

4. Raising standards and tackling underachievement to ensure learners get the best possible education.

5. Developing the education workforce.

6. Transforming the education system to ensure high quality, sustainable education for the 21st century.

These corporate goals are underpinned by 18 strategic objectives. Full details can be found in the published 2020-21 Business Plan on the Department's website: https://www.education-ni.gov.uk/publications/annual-business-plan-202021.

1.4 Key Activities of the Department

To aid achievement of the Department's key commitments and corporate goals, the main areas of responsibility within the Department link to:

- the Children & Young People's Strategy;
- curriculum and learning;
- pupils and parents;
- teaching staff;
- non-teaching staff;
- schools and infrastructure;
- area planning;
- Youth Services;
- Early Years' Provision;
- the Executive Childcare Strategy;
- support and development;
- statistics and research; and
- Good relations and social change.

The key activities of the Department, which enable it to address these responsibilities, are supported by a clearly defined structure which operates at every level of the Department.

The Department is ultimately accountable, through the Minister, to the NI Assembly for the effective delivery of its commitments and goals and for the effective use of the public funds for which it is responsible. The Permanent

Secretary is the Minister's principal advisor, the administrative head of the Department and the Accounting Officer.

The Permanent Secretary is supported by three Deputy Secretaries and the Chief Inspector of the ETI.

In addition to the ETI and the SSEC Programme, the Department has eleven Directorates headed by Grade 5s, each of which deals with specific areas of work. These fall under two divisions; Education & Children's Services, and Resources, Reform & Infrastructure, each headed by a Grade 3.

Education and Children's Services

- Transport and Food in Schools
- Promoting Collaboration, Tackling Disadvantage
- Curriculum, Qualifications and Standards
- Early Years, Children and Youth
- Inclusion and Well-being
- Restart and COVID Management

The Education Transformation Programme Directorate was temporarily suspended by the Minister during 2020-21 in order to redirect resources to alleviate the pressures on the Department caused by the COVID-19 pandemic. As the work on Education Transformation was discretionary, the Programme was declared closed by the Minister on 2 March 2021. This in no way means an end to transformation activity in the Department. The formal closure of the programme means only that further elements of transformation will be delivered using a different approach. Policy reform and service delivery improvements continue to be made wherever there is clear and evident need. Some aspects of the transformation programme have already been delivered and others are continuing as planned, such as the work on an approach to a 14-19 education and training strategy. Other ongoing transformative work includes the scoping of proposals to provide flexibility for school starting age; work to address teacher concerns about workloads and accountability; and a programme of improvement in the EA relating to services for children and young people with SEN.

Resources, Reform & Infrastructure

- Sustainable Schools Policy and Planning
- Education Workforce Development
- Finance
- Corporate Services and Governance
- Investment and Infrastructure

The Departmental Board operates as a collegiate forum, under the leadership of the Permanent Secretary, to manage the running of the Department. It operates within a wider corporate governance framework.

The Department is supported in delivering its functions by the following NDPBs, each of which is accountable to the Department:

- the EA;
- Comhairle na Gaelscolaíochta (CnaG);
- the Council for Catholic Maintained Schools (CCMS);
- the GTCNI;
- the Middletown Centre for Autism (MCA);
- the NI Council for Integrated Education (NICIE); and
- the Council for Curriculum, Examinations and Assessment (CCEA).

The Youth Council for Northern Ireland (YCNI) is also a NDPB of the Department however, it is not currently in operation. Further information on the YCNI can be found in the Governance Statement.

The performance of these bodies, which directly influences the ability of the Department to achieve its objectives, is monitored by sponsor teams within the Department. These teams are responsible for governance and accountability issues, budgetary allocation and planning, monitoring and general financial control of income and expenditure by the bodies they sponsor.

1.5 The Department's key risks and issues

Overview of risk management in DE

Risk management is the process through which the Department seeks to control the level of risks, and to reduce their effects. Successful risk management involves:

- identifying and assessing threats and opportunities;
- taking cost-effective action to anticipate or manage them; and
- monitoring risks and reviewing progress in order to establish whether or not any further action may be necessary.

In its approach to risk management, the Department has adhered to "The Orange Book: Management of Risk - Principles and Concepts" (Her Majesty's (HM) Treasury: February 2020)[1]. The Departmental Board oversees the development and management of the Departmental Corporate Risk Register (CRR). Each year, the process usually commences in tandem with the agreement of the Department's annual Business Plan, whereby any new or existing risks associated with delivery are identified and assessed and, if appropriate, are included in the CRR. Throughout the year, any risks significant to the Department's delivery of its core business, including new risks arising, are considered and monitored by both the ARAC and the Departmental Board as part of their ongoing review of both the Business Plan and the CRR.

[1] The Orange Book: Management of Risk - Principles and Concepts (HM Treasury February 2020) – issued in NI under cover of DAO (DoF) 04/20

The risks contained in the CRR all link to the Department's corporate goals and strategic objectives, as set out in paragraph 1.3 above.

1.6 Key risks in 2020-21

Two risks were removed from the CRR in 2020-21 following the agreement which ended industrial action by teachers and the suspension of the Education Transformation Programme at the outset of the COVID-19 pandemic.

The remaining corporate risks (as amended throughout the year) are shown in the table below.

Corporate Risks
The development, design and implementation of Departmental and relevant Executive policies and strategies, including delivery of PfG outcomes, do not adequately contribute to ensuring that we give our children and young people the best start in life.
The education infrastructure is not adequately planned, delivered and maintained to support the delivery of desired educational outcomes and to provide a safe and secure environment for all.
Weaknesses in the governance and accountability arrangements for the oversight of the Department's ALBs impact negatively on the delivery of education services.
The Department does not take appropriate action to align its resources (including its internal staffing resources) to ensure the delivery of the PfG and DE's statutory duties and strategic priorities within budget.
The ineffective maintenance of, implementation of and compliance with the comprehensive child protection and safeguarding framework to ensure the ongoing safety of children and young people in the care of education and youth providers.
There are ineffective arrangements for managing major incidents or emergencies.
Ineffective information management policies, procedures and systems, including remote working from home, to protect Departmental, business, organisational and personal information from either accidental loss or malicious activities.
The Department and its NDPBs fail to successfully deliver a balanced 2020-21 Resource Budget; either because the baseline funding and in-year allocations are insufficient to be able to meet unavoidable spending demands; or due to poor financial management they do not plan effectively for the level of savings required to deliver a balanced budget; or a combination of both these issues (as amended).
Ineffective Area Planning fails to deliver a network of educationally and financially sustainable schools.

Corporate Risks
The Department's programme of support to deal with the impact of COVID-19 is ineffective and fails to deliver fully on the Minister's three strategic priorities as follows. • To ensure the continuity of learning for children and young people. • To support vulnerable children and children of key/critical workers. • To ensure families do not experience hardship as a result of schools closing (as amended).
As a result of unsecured funding for 3rd Call Shared Education Campus Projects there is a risk that the Department may be unable to meet the original Together: Building a United Community (T:BUC) headline action (as amended).
The SSEC Programme is not delivered within the agreed timeframe causing disruption to the Programme.
Failure to procure fit for purpose education sector ICT contracts within expected timescales and within available budget (as amended).
Failure by GTCNI to deliver its statutory function to regulate the teaching profession (as amended).

1.7 Key issues impacting on DE in 2020-21

During 2020-21, the Department managed a number of significant issues in relation to the areas listed below. More detail on each of these is included in the 2020-21 Governance Statement.

- COVID-19 including provision of remote learning and Alternative Awarding Arrangements for Schools in 2020 and 2021.
- Oversight of "special measures" arrangements in GTCNI.
- Safeguarding and Child Protection.
- EA Audit of Practice on SEN.
- Placements for Children with Statements of SEN.
- EA 2020-21 Financial Position.
- EA IT Projects – EA One (Finance, HR & Payroll) Project / EETS (C2k Replacement).
- Implementation of the EA "Providing Pathways" Area Plan and 2019-21 Annual Action Plan (AAP).
- Development Proposal (DP) Activity.
- SSEC Programme.
- Industrial Action by Teacher Unions.
- National Measures of System Performance.
- DE Transformation Programme.
- Fraud Prevention and Whistleblowing.

- 2021-22 Budget Position and Authority.
- Appointments to the Department's ALBs and school Boards of Governors.
- Delivery of HR Services.
- Staff absence.
- YCNI.

1.8 Future issues which may impact on DE's performance

Future Impact of COVID-19

Across government and wider society, the main challenge to be dealt with in the medium to long term will be the Department's continuing response to the COVID-19 pandemic and for DE, this means a return to education services being provided in a more normalised way.

Because of the continued uncertainty arising from COVID-19, the extent and impact of other key challenges in the coming year(s) is uncertain, but will be affected by:

- the content and out-workings of a PfG;
- delivery against the NDNA agreement;
- the development of a delivery plan for the Children and Young People's Strategy;
- the vision and direction of the Education Minister, including the fact that the current Assembly mandate is due to end in March 2022; and
- working within constrained budgets.

Financial Challenges

The Department's 2021-22 opening Resource budget of £2,345.1m was agreed by the Executive on 1 April 2021. In addition, the Finance Minister provided assurances that a further £81.2m would be given priority in-year. On the basis of these assurances, and to allow for effective planning by delivery partners, the Education Minister over-committed on the opening budget by £81.2m. All of this funding was subsequently allocated to the Department.

£72.7m of the opening Resource budget (including the over-commitment noted) was specifically for COVID-19 response measures. The Department will continue to monitor the position across schools and the wider education sector throughout this financial year.

The budgetary environment remains as constrained as it has been in previous years, although the financial pressures facing our schools are widely acknowledged. Moving forward, the focus remains on minimising the impact of budgetary pressures on the Department's core services, in particular early years and pre-school provision, schools' provision and youth.

DE has been allocated a Capital budget of £158.3m for 2021-22. This includes £11.5m of funding from the Fresh Start Agreement (FSA) for the SSEC Programme and other agreed shared and integrated education projects.

The £146.8m of Executive capital allocated is unlikely to be sufficient to meet all of the Department's capital needs in 2021-22. If there are no further in-year capital allocations, a prioritisation exercise will be required across capital programmes to identify the projects which can be funded in-year and those which will need to be delayed to ensure that some or all of the spend is deferred until 2022-23.

1.9 Going concern

The Statement of Financial Position at 31 March 2021 shows negative taxpayers' equity of £23m. This reflects the inclusion of liabilities falling due in future years which are to be financed mainly by drawings from the NI Consolidated Fund. Such drawings will be from grants of Supply approved annually by the NI Assembly to meet the Department's Net Cash Requirement. Under the Government Resources and Accounts Act (NI) 2001, no money can be drawn from the fund other than that required for the specified year, or retained in excess of that need. All unspent monies, including those derived from the Department's income, must be surrendered to the Fund.

In common with other government Departments it is considered appropriate to adopt a "going concern" basis for the preparation of the financial statements as the Department is Supply financed, and draws its funding from the Consolidated Fund. Therefore there is no liquidity risk in respect of the liabilities due in future years.

1.10 2020-21 Performance summary

The Department's 2020-21 Business Plan set out the commitments and actions that the Department undertook to deliver on the corporate goals. There were a total of 50 commitments/actions contained in the Business Plan. The Plan included some of the educational attainment targets which are outlined in more detail in the Performance Analysis section of this report.

The table below sets out a summary of performance against 2020-21 Business Plan commitments/actions.

Year-End Status of Business Plan Commitments/Actions	Number	%
Achieved	31	62
Substantially achieved	9	18
Likely to be achieved but with some delay	10	20
Not achieved	0	0
Total	**50**	**100**

1.11 COVID-19

Additional COVID-19 funding of c£171m was secured to address Education Responses (c£109m) to COVID-19 and to facilitate the Education Restart Programme (c£62m). In addition, £12.1m was set aside from the initial DE Resource budget.

The funding provided for Education Responses was to mitigate the impact of COVID-19 on schools, and included funding towards supporting families in receipt of FSM (including School Holiday Food Grant scheme), Emergency Childcare Provision, Substitute Teachers' Income Support Fund, Uniform Grants and Personal Protective Equipment (PPE).

The Department established the Education Restart Programme, which, in conjunction with a wide range of stakeholders, put in place the detailed measures and guidance to enable the safe reopening of educational settings. The funding provided was to mitigate the impact of COVID-19 on schools and included funding towards the cost of: substitute teachers; non-teaching staff and other school expenditure; PPE; school wellbeing initiatives; home to school transport; and support for SEN.

The Education Responses to COVID-19 and the Education Restart Programme were aimed at delivering, as best as possible in the context of COVID-19, the draft PfG outcome: *'our children and young people have the best start in life'*; and help to ensure NI's successful economic recovery from the COVID-19 pandemic.

The Department, in conjunction with the EA, will continue to monitor funding requirements as the pandemic progresses.

1.12 EU Exit

The Department's EU Exit Policy Unit was established in 2019 to develop and oversee the Department's policy and role in relation to the education services arising from the UK's decision to leave the EU, and in particular the implications of any 'no-deal' agreement, and subsequent priorities for the future relationships with the EU. To date, the Unit has provided a co-ordination role and worked closely with the central EU Exit Future Relations team in The Executive Office (TEO), and liaised with policy areas across DE.

Overall, the departure of the UK from the EU has had minimal impact on the Department's goals, strategic objectives and priority outcomes during 2020-21.

During the year, the EU Exit Policy Unit was staffed by one officer, although that person was also assigned to work in the Department's COVID-19 Departmental Operations Centre (DOC) from March-June 2020 and in support of the Education Restart team up to December 2020.

The Department, together with its ALBs, identified potential 'Day 1' issues following the end of the transition period and these risks were incorporated into the wider Departmental planning for monitoring and review.

The Trade and Co-operation Agreement between the EU and UK (at the end of 2020), together with the NI Protocol and the operation of the agreed Common Travel Area (CTA) rights and privileges, mean that day-to-day education services are largely unaffected by the UK's decision to leave the EU.

There remain a small number of areas where funding programmes (including replacement funds) are still under development and where transitioning to the new arrangements (between NI/GB and NI/Ireland/EU) require further work, including continuing mutual recognition of professional qualifications and data sharing. Other Northern Ireland Civil Service (NICS) Departments are in the lead in taking such issues forward with our Whitehall and Irish/EU counterparts.

The EU Exit Unit has been stood down and these issues will therefore be handled directly by individual business areas as “business as usual” activities.

2. PERFORMANCE ANALYSIS

2.1 The Department's performance management arrangements

The Department's annual Business Plan is drafted by senior management for review and agreement by the Departmental Board. Once cleared by the Board, the Business Plan is submitted to the Minister for comment and approval. Throughout the year, DE officials monitored progress against Business Plan commitments and actions and reported quarterly to the Departmental Board.

2.2 Analysis of educational performance against targets

Due to the COVID-19 pandemic, it is not possible to use actual performance in 2019-20 to monitor progress towards achieving educational attainment targets, including those published long term targets contained in Count, Read: Succeed – A Strategy to improve outcomes in Literacy and Numeracy (March 2011) .

As a direct result of the pandemic and associated school closures in the period from March 2020, statutory Key Stage assessment arrangements at Key Stages 1, 2 and 3 were suspended in 2019-20.

Due to the COVID-19 pandemic, and in line with the other UK regions, public examinations in summer 2020 were cancelled in Northern Ireland. Results awarded by the CCEA for GCSEs were based solely on the Centre Assessed Grades (CAGs) provided by schools and colleges. Results awarded for A-Levels were the higher of the CAG or the "calculated grade'' initially awarded by CCEA on 13 August 2020. Calculated grades were grades that were standardised across centres through the application of a statistical algorithm to the CAGs submitted by schools and colleges.

Due to the entirely different awarding methodology and the use of CAGs, which were not standardised between Centres or across jurisdictions, it would be inaccurate and potentially misleading to use 2020 outcomes to make comparisons against milestone targets, which were based on a system of public examination outcomes standardised to ensure three country comparability across England, Wales and Northern Ireland. Nor is it possible to draw conclusions around the overall standard of educational attainment or improvements within the education system from the 2020 qualification outcomes.

The most recent statistical bulletin in respect of School Leavers can be accessed at the link below:
https://www.education-ni.gov.uk/publications/school-leavers-201920-statistical-bulletin

The Department continues to be committed to improving the attainment of FSM entitlement learners through effective use of available funding and the sharing of good practice. .

The Department sets a number of other quantifiable targets summarised in the table below.

Key Success Indicator/Commitment/Action	Actual levels
Sufficient pre-school places available so that every child can be offered a place.	99.9% of children whose parents stayed with the admissions process were offered a funded pre-school place for September 2020[2].
Work with the EA to support areas where schools may not meet statutory requirements under the Entitlement Framework.	93% of schools now fully meet the Entitlement Framework requirements at KS4 and 80% fully meet the requirements at post-16 in 2019-20.
Strategic Objective - To maximise the attendance rates of pupils so that they are in school being supported to reach their full potential. Key Success Indicators: • An overall increase in pupils' average attendance level across NI. • Percentage of pupils with less than 85% attendance reduced.	The Department is continuing to promote the importance of regular attendance at schools through a variety of means: • In 2019-20 6.5% of total half days were missed due to absence; compared to 5.8% in 2017-18. (No official Northern Ireland Statistics and Research (NISRA) were produced for the 2018-19 academic year). • In the meantime, Departmental officials are using in-year data to update employing authorities on year to date attendance figures at school level. • This has enabled policy officials to focus on key issues and draw these to the attention of schools. • The Department launched a new advertising campaign "Miss School. Miss Out" targeted at parents to help convey the importance of regular attendance at school.

2.3 Analysis of 2020-21 performance against corporate goals and commitments

Every part of the Department has a role to play in delivering the DE corporate goals and commitments. It is widely recognised that there has been significant disruption to normal business activities across the Department in 2020-21 due to COVID-19, causing delays and requiring the reprioritisation and redeployment of resources to address the critical COVID-19 responses.

However, despite the challenging circumstances, a significant body of work has been delivered as summarised below.

Education and Children's Services

The **Transport and Food in Schools' Directorate** has policy responsibility for the Home to School Transport, FSM, food in schools, school uniform and uniform

[2] Measured in July 2020. Funded pre-school places remained available in all areas for children not yet offered a place at that time.

grant policy, Education Maintenance Allowance (EMA) (in conjunction with the Department for the Economy (DfE)) and Elective Home Education.

Key activities and performance during 2020-21:

- COVID-19 guidance was developed for educational settings to include the mitigating measures put in place to manage risks on school transport.

- Worked closely with the EA in developing a scheme to make direct payments in lieu of FSM during term time school closures to families of children with FSM Entitlement. The purpose of the scheme is to ensure that families are able to feed their children during school closures as a result of COVID-19.

- In addition, a similar but separate School Holiday Food Grant payment scheme was agreed by the Executive to make food grant payments during school holidays until Easter 2022. The purpose of the scheme is to alleviate hardship during school holidays for families of children who are entitled to FSM when at school.

- Worked closely with DfE to ensure all eligible children received their EMA payments when schools were closed.

- Represented DE on the Department for Communities (DfC) led Anti-Poverty Strategy and the Food Poverty Strategy from the beginning of March 2021.

- Liaised with the EA in ensuring suitable mitigations were put in place to ensure that there has been no disruption to school transport services or food supplies to schools as a result of the EU Exit.

The **Promoting Collaboration, Tackling Disadvantage Directorate** contributes to the DE vision through encouraging and supporting the development of collaborative practice in education in integrated, Irish-medium, community relations and shared education contexts, in tackling educational disadvantage and in teacher professional learning. The Directorate is also responsible for sponsorship and oversight of three of the Department's NDPBs: NICIE, CnaG and GTCNI.

Key activities and performance during 2020-21:

- Supported DE teams and the DE NDPBs in implementing DE's statutory duties in relation to integrated, Irish-medium and shared education. Both sectors continue to grow, with nearly 24,900 pupils now being educated in integrated schools and over 7,000 pupils in Irish-medium schools or units.

- Developed work on a new "Hope/Aspiration" campaign targeting young people who are disenchanted with education, using positive role models.

- Interventions including Engage, Summer Schools and virtual learning packages were established to assist schools and pupils by building confidence, welcoming pupils back to school and by providing one-to-one and group support.

- Continued to work with key partners, including the EA, higher educational institutions (HEIs) and GTCNI to promote the Department's Learning Leaders (LL) Strategy. A proposal document setting out a coherent career-long approach to key elements of Teachers' Professional Learning (TPL) has been developed and this will now be the subject of consultation with the profession during the 2021-22 academic year.

- The Shared Education TPL Hub has been developed and released to over 600 schools. Feedback from the EA is that the partnerships established through Shared Education have been a vital support for teachers and principals during these unprecedented times.

- Worked closely with the HEIs and additional key stakeholders, establishing a working group to minimise the impact of COVID-19 disruptions on Initial Teacher Education (ITE) courses and ITE student teaching placements.

- The Shared Education Programme projects have been supporting schools in the identification of areas where Shared Education can contribute to the sharing of effective practice and focusing on capacity building and peer learning to support practitioners.

- Continued work with GTCNI to support the delivery of its responsibilities throughout 2020-21 as the organisation remains in "special measures". (The Minister determined that an independent Board Effectiveness Review should be undertaken. This commenced in 2021-22.)

- Produced a draft strategy to reduce educational disadvantage and underachievement. An Expert Panel was appointed in September 2020, and an Interim Report by the Panel was accepted by the Minister and published on the DE website.

- Oversaw the 'WRAP' Programme, a wrap-around Educational Support Pilot Programme for Children and Young People facing significant challenges, which continues to deliver positive interventions for children and young people in four geographical areas including: South Belfast; East Belfast; Rathcoole/Monkstown; and Greater Shantallow, Derry/Londonderry.

- Continued funding of a range of geographical interventions informed by the level of FSM entitlement and multiple deprivation measures to determine eligibility. These programmes are vital to the education and life chances of children and young people in these areas.

- In January 2021, the Minister directed officials to progress work on Period Poverty following a decision by the NI Executive to fund a pilot to provide free period products across all schools in 2021-22. This work is progressing.

- The impact of EU Exit has been considered and the Directorate contributed to issues around qualifications and teacher mobility.

The **Curriculum, Qualifications and Standards Directorate (CQSD)** provides policy development and advice on matters of educational performance. The Directorate's policy remit includes: education-system evaluation; school quality and school improvement; the statutory curriculum and assessment arrangements; wider assessment issues including academic selection; a number of statutory school-policy issues including class size, school days and hours, and compulsory school age; the 14-19 Curriculum including the Entitlement Framework and qualifications; and the contribution of school education to the Executive's Economic Strategy. It also oversees the work of CCEA and the Exceptional Circumstances Body (an Advisory NDPB).

Key activities and performance during 2020-21:

- Significant resource was focused on the delivery of qualifications and in particular the development of Alternative Awarding Arrangements following the cancellation of public examinations.

- Development and delivery of DE policy, guidance and advice on remote learning, and advice on arrangements for the delivery of transfer tests during the 2020-21 academic year.

- Establishment of the CQSD COVID-19 Contingency Programme (subsequently re-titled the Standards and Learning Programme), in March 2020, to provide assurances that appropriate action was being taken to secure, as far as possible, the learning, progression and wellbeing of children during the COVID-19 pandemic. The Programme has been responsible for delivering a managed programme of work to oversee the ideas, options and implementation of the contingency plans to deliver the curriculum, enable pupils to complete qualifications during the pandemic and provide digital devices and WIFI to educationally disadvantaged children and young people.

- Developed Curriculum Guidance for School Restart in both September 2020 and March 2021 and developed and delivered Alternative Awarding Arrangements, including significant adjustments to qualifications in both 2020 and 2021.

- Oversaw the allocation of £2m of grant funding to third party organisations to support delivery of the curriculum in schools including: Sentinus; the Irish Football Association/Gaelic Athletic Association; and Young Enterprise NI.

- The long-term school improvement policy (Every School a Good School), the literacy and numeracy policy (Count, Read; Succeed), the delivery of the statutory curriculum (Entitlement Framework) and participation in international studies of system performance continues to be maintained.

- Considered the impact of EU exit, particularly in relation to CCEA and the operation of examinations.

The **Early Years, Children and Youth Directorate** has responsibility for developing, maintaining, implementing and evaluating policies on matters of non-formal and non-compulsory education and development, and childcare. Related to these policy areas, the Directorate implements associated universal and targeted programmes which complement formal learning in the areas of early childhood education and care, childcare and youth services. The Directorate is also responsible for sponsorship and oversight of the YCNI, and for the implementation of the Executive Children and Young People's Strategy which was adopted by the Executive in December 2020. The Directorate leads on the 2020-2030 Children and Young People's Strategy, as well as key initiatives in Early Years, Children, Youth and Childcare.

Key activities and performance during 2020-21:

- Delivery of the Pre-School Education Programme (PSEP) providing funded pre-school places for every child in their immediate pre-school year, with 99.9% of children receiving the offer of a pre-school education place for September 2020. The majority of children (almost 97%) were placed at Stage 1 of the pre-school admissions process in 2020.

- Provided Early Years' policy advice in relation to statutory DPs for nursery provision.

- Facilitated a digital portal being utilised by the EA, enabling parents to apply for a pre-school place for their child online.

- Supported pre-school children, with supervised learning available for vulnerable children and those of key workers, and remote learning for all others.

- PSEP funding to settings continued, with additional funding provided to support settings to implement appropriate COVID-19 mitigations, in line with guidance produced in co-design with practitioners.

- A public consultation seeking views on proposals to amend the definition of statutory criteria for pre-school admissions was launched in April 2021.

- Targeted Early Years' intervention continued to support children and families who needed it most i.e.

    - An additional c£2m funding in 2020-21 enabled the continuation of Sure Start support at existing levels to around 39,000 eligible children (aged 0-3) and their families, living in (at least) the 25% most disadvantaged areas across NI.

  - Targeted support of c£3.4m was provided through the DE Pathway Fund which supports around 8,000 children aged 0-4 years, who may need additional help to reach their full educational potential. This figure includes additional £450k received from the Department of Finance (DoF) to support COVID-19 pressures.

  - Support continued for pre-school Traveller children during 2020-21 through the Toybox Project.

- Implementation of *Learning to Learn - A Framework for Early Years Education and Learning (published October 2013)* has continued. An additional 82 places across 25 nursery schools (and nursery units in primary schools) were approved through temporary flexibility in class size in 2020-21. Extended Services funding was allocated to 98 eligible voluntary/private pre-schools.

- Expansion of the Early Years' Education Support Cluster programme continued in 2020-21, with a further operational 4 cluster groups bringing the total number of clusters to 20.

- The Irish-medium pre-school support service continues. A DE response to the Irish-medium pre-school research report was published in September 2020, and the Department has commenced work to progress the agreed recommendations in collaboration with CnaG.

- The Getting Ready to Learn (GRtL) programme has been mainstreamed by the Department and 78% of pre-school settings delivered the programme in 2020-21, a slight increase on the 2019-20 participation rate of 75%. The GRtL has adapted to the COVID-19 pandemic by moving capacity building sessions online, delivering parent sessions through social media and online platforms and developing resource packs for children to take home. More than 12,000 parents/carers of pre-school children participated in GRtL and pre-school settings reported that parental engagement had improved, parents had more knowledge of how to support their child's learning at home and the key messages delivered through GRtL had a positive impact on their family life.

- Continued to work in collaboration with DoH to deliver the 3+ Review, a developmental review of pre-school children led by health visitors which takes place in the pre-school setting, which was severely impacted by the COVID-19. Colleagues in DoH have indicated that they plan to re-build the 3+ Review service, and hope for 100% rollout by 2022.

- Funding support to BookTrust NI to deliver BookStart baby packs to all babies in their first year in 2020-21. This programme has been well received by parents and health visitors, with over 24,000 families receiving the packs. Funding has also been provided for the BookTrust Treasure programme, providing a book pack to children in their immediate pre-school year in DE funded pre-school places.

Children

- The Children and Young People's Strategy was approved as an Executive strategy on 10 December 2020. There are a number of strands of the monitoring and reporting arrangements which are required to implement the Strategy, which are currently being progressed. These include the strategic monitoring and reporting mechanisms, the Delivery Plan and the development of population indicators to monitor the achievements of the Strategy against its eight key outcomes.

- Progression of the 'Young Peoples Participation in Decision Project' to determine the most effective approach to participation and engagement structures between government Departments and their agencies and children and young people, in order to enable young people to provide their views on decisions which impact on their lives.

- During the year, the value and importance of play for children's health and well-being was highlighted due to the impact of the pandemic. Plans were developed to further promote the Early Intervention Transformation Programme (EITP) 'Play Matters' advertising campaign which will air in 2021, continued its regular engagement with key stakeholders including PlayBoard NI and supported the GRtL programme by assisting with the provision of a number of play briefing sheets for inclusion within Home Learning packs for distribution to some 21,000 families across NI.

Youth

- Worked closely with the EA to facilitate the closure of generic youth services and to ensure that support continued to be provided for the most vulnerable and at risk young people during the pandemic.

- Additional funding was secured for delivery of the 'Eat Well, Live Well' programme which provided food packages to over 5,000 young people identified as being at most risk. Funding was also secured to ensure that Outdoor Education Centres remained viable given the considerable loss of income they experienced.

- Worked closely with the EA on recovery plans for the youth service.

- Preparatory work on a new funding scheme for youth services was undertaken.

- Work was also undertaken in collaboration with other devolved administrations in preparation for the UK's Exit from the EU, in particular to ensure the orderly closure of the Erasmus (Youth) and European Solidarity Fund. The Directorate has continued to lobby for replacement funding to ensure that young people continue to have access to international youth opportunities.

- Continued to work closely with the EA and other key stakeholders to develop and deliver actions to promote lawfulness in schools in collaboration with the

Police Service of NI (PSNI) and through youth work as set out in 'The Tackling Paramilitarism Executive Action Plan' and in particular Action A4 – '*The Executive should commission appropriate initiatives aimed at promoting lawfulness in schools and through youth work in c*ommunities'. This includes 13 Outreach Workers in targeted areas to build relationships with young people considered to be at higher risk of being involved in paramilitary activities, and the training of 308 youth workers and teachers in new methodologies and approaches for working with young people at risk. This vital work continued throughout the pandemic. Work was also undertaken to develop an agile fund to provide immediate response to civil disturbances.

- Continued to work with TEO and the EA to deliver T:BUC camps and planned interventions, and facilitated the delivery of the North South Education and Training Standards Committee for the professional endorsement of youth work education and training.

<u>Childcare</u>

- In response to COVID-19, resources were directed to providing emergency financial support aimed at helping the childcare sector deal with the immediate challenges of the COVID-19 pandemic. Up to the end of March 2021, approximately £30m had been paid to support the sector.

- Assessed the potential impact of the EU Exit, taking appropriate steps, including liaising with the Whitehall Departments for Education and Culture Media and Sports both of which are leading on contingency planning for Erasmus and the European Solidarity Fund.

The **Inclusion and Wellbeing Directorate** has responsibility for developing and maintaining policies that address a range of barriers to learning (including SEN, newcomer pupils, traveller children, Children Looked After (CLA), school age mothers and young carers); child protection and safeguarding; pupil behaviour; safe handling and promotion of pupil emotional health and wellbeing; working on a range of cross-cutting strategies; and addressing issues arising from learning and health or social impacts. The Directorate also carries policy oversight/sponsorship responsibility for MCA.

Key activities and performance during 2020-21:

- Led on the Temporary Modifications of Education Duties under the Coronavirus Act 2020, specifically in relation to those duties pertaining to SEN.

- Work was progressed in respect of the implementation of the SEN Framework in conjunction with DoH, the EA and other key stakeholders, including refinements to the draft Regulations and the associated Code of Practice and the development of new Personal Learning Plan software for use in all schools.

- In conjunction with colleagues from DoH, PHA, Health and Social Care (HSC) Trusts and the EA, established a process of monitoring each entity's ability to carry out their statutory duties in relation to assessment and provisions of SEN.

- Improved the electronic sharing of information between the EA and HSC Trusts, which will reduce the length of time the EA takes to conduct statutory assessments of SEN.

- As part of the Department's ongoing COVID-19 response, undertook the development of a number of key pieces of guidance such as: Guidance on Vulnerable Children and Young People; Guidance to Support Safe Working in Educational Settings; NI Re-opening School Guidance - Special Schools; Supplementary Guidance for Special Schools.

- Worked closely with colleagues from the DoH, PHA, HSC Board and the EA through an established Joint Health and Education Oversight Group to ensure the continued delivery of health and education supports for children with complex and multiple needs.

- Contributed to the DoH led Vulnerable Children and Young People's Plan. Lessons learned from the first period of lockdown and feedback from consultation on the Vulnerable Children and Young People's Plan have been applied and built into the Vulnerable Children and Young People – Contingency Planning Framework. Feedback from stakeholders in this area improved access to special schools and the provision of support service for children with complex needs significantly during school closures due to lockdown.

- As part of the Department's ongoing COVID-19 response, and in recognition of the impact on those children and young people with significantly complex needs attending special schools, the Directorate led the engagement with the Special Schools Strategic Leadership Group (SSSLG) which facilitated quick progress in relation to the rollout of the Special Schools Staff Vaccinations and Pupils' Testing programme. This engagement continues to ensure a clear line of communication between the Department and SSSLG given some of the current challenges emerging from the pandemic and the specialist provision of SEN services more generally.

- As part of this continued engagement with special schools, the Directorate led on the development of the Engage Special Schools Programme, securing £840k investment for all 39 special schools for the 2020-21 Academic Year. The programme, which was co-designed with SSSLG, empowers schools to identify therapeutic educational interventions which will support learning recovery for their pupils. It is anticipated that funding will be secured for a further programme within the 2021-22 Academic Year.

- MCA Training and Advisory Service continues to deliver a high volume of training to professionals and parents, and has adapted training to deliver via on-line platforms due to COVID-19 restrictions. The training programme reflects and includes training to support Ministerial priorities in NI.

- The expanded Learning Support and Assessment Service continues to deliver direct support to referred children and young people, providing support to about 60 children in NI and 12 in Ireland in 2020-21. This service paused in March 2020 due to lockdown and restarted in September with an adapted version of the programme using technology to provide support to children, young people and their families. They have continued to provide support for autistic children and young people and their families and have played a major role in the Department's response during COVID-19.

- Work to support the development of the new SEN Framework continued in 2020-21. Consultation on new draft SEN Regulations and a new draft Code of Practice ran from 30 September 2020 to 2 March 2021 and responses are being analysed.

- The SEN Steering Group, comprising of officials from the DE, DoH, Department of Justice (DoJ), DfE, DfC, the EA, HSC Trusts and the PHA, met online during 2020-21. Progress update reports provide assurances that progress is being made to facilitate a smooth implementation of the new SEN Framework once the necessary legislation has been made.

- During 2020-21 work continued on the development of the SEN and Disability (SEND) Implementation Plan by the EA and new earmarked funding (totalling £7.5m in 2020-21) was distributed to schools to help them prepare for the statutory requirement for a Learning Support Coordinator.

- The recommendations from the SEN Learner Project were finalised, agreed by Project Board members and published on the Department's and the EA's websites. The EA has confirmed that the recommendations will be implemented through their SEND Strategic Development Programme (SEND SDP).

- The Minister announced a new "Nurture Approach in Education Programme" on 18 September 2020 which will be made available to all primary, special and post-primary schools, and Education Otherwise than at School (EOTAS) settings from this year onwards. In addition, it was announced that the 31 Nurture Groups already held would be increased by 15; totalling 46 Nurture Groups in primary schools. The programme will allow schools without a funded Nurture Group to avail of training and support in nurture approaches. During the current COVID-19 pandemic the existing Nurture Advisory Support Service has focused on developing a range of resources for existing Nurture Group staff and providing support to vulnerable children and young people.

- The launch of the Strategy for CLA *"A Life Deserved: Caring for Children and Young People in Northern Ireland"*, developed jointly with DoH. This project, described as 'world leading' by stakeholders, is an example of effective support for CLA in education, their carers', schools and HSC staff.

- The success of the 'Attach Project', a multi-disciplinary, interagency relationship-based approach recommended that a standalone service for CLA be established within the EA. This is currently being progressed, headed by a CLA Champion.

- Re-commenced work to review the Supporting Newcomer Pupils' policy.

- With the agreement of the teaching unions, the Addressing Bullying in Schools Act will commence on 1 September 2021, as announced by Minister on 3 March 2021.

- Jointly with the DoH, published the 'Children & Young People's Emotional Health and Wellbeing Framework' report in February 2021. An initial implementation plan, to be reviewed and updated, was published based on priorities identified by Health and Education. Current projects include, Resilience Education Assisting Change to Happen (REACH) (EA Youth Service), Wellbeing Hub (CCEA) and Text-a-Nurse (PHA). Work is continuing to progress on a number of other business cases in support of this implementation plan.

- An Interim Autism Strategy was launched for the period 2021 to 2022 and the Department will continue to work with DoH colleagues as it progresses to a full Autism Strategy in late spring.

- The Minister launched the Enhanced Framework for Autism Training in December 2020. The training was developed in partnership with the EA Autism Advisory and Intervention Service and MCA.

- Funding continued for the SEND Tribunal (SENDIST) Project with £50k provided to the Children's Law Centre to deliver advocacy support to children, young people and their families' who require support in relation to proposed SEN provisions.

- Issued updated 'Safeguarding and Child Protection in Schools' guidance to all schools in August 2020 and revised the Child Protection Records Keeping in Schools Circular. Annexes for youth and early years' settings will be included in the 2021 update.

- Commissioned ETI to examine current EOTAS provision arrangements. The draft report has been reviewed and agreed and is expected to be published by ETI, following consideration by the Chief Inspector.

- At the request of the Minister, officials have launched a review to consider the issues of restraint and seclusion for children and young people. The Department has established a Working Group which includes representatives from DoH, DoJ, the EA and ETI (in an advisory role). A Reference Group comprising representatives from professional organisations has also been established.

- Issued Circular 2021/04 in March 2021 to all schools, boards of governors, CCMS, grant maintained integrated (GMI) and voluntary grammar (VG) schools to include reference to the SEND (NI) Order 2005 within their suspension and expulsion schemes; and formally requested that the EA fulfil its statutory duty under Article 6 of the Education (Northern Ireland) Order 1998 to prepare a plan relating to children with behavioural difficulties, providing advice and assistance to grant-aided schools in promoting good behaviour and dealing with behaviour difficulties.

- Considered the impact of EU Exit, all identified issues pertaining to MCA were resolved. A new and emerging issue in relation to the recognition of professional qualifications of health staff will be closely monitored and progressed with colleagues in the Department of Education, Ireland.

The **Restart and COVID Management Directorate** is responsible for providing support to educational and youth settings in response to the COVID-19 pandemic. It is responsible for all correspondence and communication in respect of Education Restart and oversees the guidance on COVID-19 management to support the education system in meeting the challenges of education delivery in a COVID-19 environment.

Key activities and performance during 2020-21:

- Throughout 2020-21 the Education Restart team met regularly with key stakeholders to discuss the current situation, potential issues, address concerns and amend guidance as required. These stakeholders include DoH, PHA, a practitioners' group made up of principals from across the educational sector and trade unions.

- Ensuring relevant guidance was produced and amended in line with the ever-changing requirements in response to the public health situation.

- The team have supported schools through the closing and reopening of educational settings, including the preparation of five Education Continuity Directions (under Schedule 17 of the Coronavirus Act 2020).

- Facilitated regular contact with the PHA, the EA and the Chief Medical Officer, to continually review the safety of the education sector. This included facilitating the agreement of a fast track vaccination programme for some special school staff, a dedicated PHA schools' helpline, the rollout of regular weekly testing for pupils and staff in special schools was extended to all school staff from April 2021 and a programme of asymptomatic testing for all staff in post-primary schools, as well as pupils in years 12-14.

Resources, Reform & Infrastructure

The **Sustainable Schools Policy and Planning Directorate** supports the implementation of 'Schools for the Future: A Policy for Sustainable Schools' through supporting and developing Area Planning governance and processes and processing statutory DPs, making recommendations to the Minister or Permanent Secretary on significant changes to schools. Responsibility for the Delivering Schools for the Future (DSF) project also rests with the Directorate. The

Directorate processes applications for Temporary Variations, reviews approved admissions and enrolment numbers and processes admissions' complaint cases. The Directorate is also responsible for taking forward work on the delivery of the headline action under the Executive's T:BUC programme to commence 10 shared education campuses.

Key activities and performance during 2020-21:

- Area Planning activity was stood down during the period March to October 2020 to support the Department's COVID-19 response by: putting in place arrangements for children of key workers and vulnerable children; developing a volunteering scheme; developing clustering arrangements; drafting, publishing and updating the 'New School Day' Education Restart Guidance; and arranging NI schools' participation in the National Testing Initiative.

- In the 2020-21 year, 20 DPs were published. Decisions were taken on 22 proposals. Of the decisions taken, 19 were approved (of which 14 were approved with modification) and 3 were not approved. Decisions covered a range of proposed changes to provision, comprising: closures (8); increases/decreases to approved admissions and enrolment numbers (10); increase to numbers in an Irish-medium unit (1); establishment of a nursery unit (1); and transformation of the school type to controlled integrated status (2).

- Continued to participate in joint DE/EA/CCMS presentations to Local Government Councils to facilitate wider appreciation of the objectives of Area Planning and how partner organisations can contribute to the DP process and input to statutory consultations on proposals.

- Continued to work with the Departmental Solicitor's Office (DSO) on Judicial Review cases and pre-action protocol correspondence relating to the COVID-19 response, Area Planning work and school admissions. The Directorate also led on, and successfully defended four legal challenges in the form of Pre-Application Protocol (PAP) Letters relating to actions taken by the Department under its COVID-19 response for school closure and reopening arrangements, and key worker and new school day guidance.

- The DSF project was established to support and enhance strategic planning of a network of sustainable schools. Although uncertainty over funding has impacted the EA/CCMS taskforce work to deliver some Work-streams, work has progressed in identifying barriers to effective Area Planning and drafting of a User Guide for Sustainable Schools' Policy. Key Work-streams to be progressed include: a new resetting for Area Planning (a 'downsizing' process to facilitate "non-significant" changes to approved school admissions and enrolment numbers outside the DP process); a circular on a 'Developing Schools Framework' to support 'new' schools in their development phase; and a pilot exercise which aims to explore/develop a new agile and demand led process to change, open or close specialist provision at mainstream schools without the need for a DP.

- The DSF project has successfully delivered a number of operational and policy proposals, including the re-definition of urban/rural classification of schools and revision to the Area Planning cycle. Continuing work includes revised area planning/DP guidance; development of new COVID-19 guidance, if required, and continuing to support the development of the second EA Strategic Area Plan.

- Schools participating in the Shared Education Campus (SEC) Programme focused on providing remote and blended learning to pupils and provide a service to vulnerable children and children of Keyworkers. The Project Boards transformed to a virtual platform to enable continuation for those projects which have business cases approved.

- During the reporting period, the Minister took the difficult decision to terminate the Duneane and Moneynick SEC project on 13 October 2020 due to concerns over the sustainability of the schools and the inability to produce a value for money business case that could be considered by DoF. The remaining projects (Limavady SEC, Ballycastle SEC, Moy SEC, Brookeborough SEC), which are at various stages of development, continued to progress during the year.

- Ensuring sufficient additional places for Year 1 and Year 8 applicants to a school in the sector of their preference and within a reasonable travelling distance of their home address for admission in September 2020. At the end of the reporting year, work had commenced on ensuring sufficient Year 1 and Year 8 places existed for September 2021 admission.

- Worked closely with the EA in the delivery of an online application system for post-primary admissions which successfully launched on 1 March 2021.

- Involvement in the planning for implications of EU Exit, specifically in relation to the impact on EU nationals wishing to access an education, and on cross-border travel to access an education. This work is complete, with no issues arising or outstanding.

- Appropriate action has been taken to challenge the pace of delivery of Area Planning commitments in the EA 2019-22 AAP under the auspices of the Area Planning Steering and Working Groups. Working with the Deputy Secretary, a review and renewed strategic focus of the Area Planning Steering Group (APSG) took place and work strands progressed to manage corporate knowledge.

The **Education Workforce Development Directorate** provides the vision and sets the framework which supports an education workforce that is able, trained, qualified, rewarded and motivated to raise standards and close the educational achievement gap through partnership, consultation and the generation of legislation and policy. The Directorate is responsible for: contributing to local policy on teachers' pay and conditions of service; ensuring that pay and conditions of service for non-teaching staff are appropriate to maintain a committed workforce; payment of teachers' salaries and pensions on behalf of the employing authorities; and ensuring that a replacement teachers' pension system was successfully introduced in 2020-21.

Key activities and performance during 2020-21:

- An offer and settlement set out within the Teachers' Pay and Workload Agreement 2017-19 was formally accepted by NI Teachers' Council (NITC) on 28 April 2020 bringing an end to all industrial action. A project was established to deliver the nine reviews to address teachers' concerns about workload and accountability and improve the efficiency and effectiveness of the education system as outlined in the agreement.

- Delivered payment of salaries to teachers and payment of teachers' pensions; approval, through DoF, of pay remits submitted to the Department; led the Strategic Cost Base Reduction exercise to help the education sector live within budget (this involved management of Headquarters and school-based voluntary exit processes (both teaching and non-teaching)); and launched the new teachers' pension system supplied by Civica in November 2020, which was postponed from April 2020, due to COVID-19.

- New negotiations took place on a Teachers' Pay Agreement for the outstanding 2019-21 academic years and a formal agreement was reached on 2 March 2021.

- Responding to the COVID-19 pandemic on the education workforce including instant relocation of time critical pensions and teachers' payroll staff to remote working, major increase in engagement with trade unions and employing authorities, introducing a substitute teachers' income support scheme, introducing furloughing arrangements for relevant education staff and responding to a multitude of public, private and assembly correspondence.

- Implemented a mitigation to pay any pensioners with an address in the EU, affected by the EU Exit, by cheque should any issues arise with the current payment method.

The **Finance Directorate's** role is to manage the Department's c£2bn Resource Budget in line with Departmental priorities and to ensure financial probity, regularity and value for money. It prepares the Department's annual Budget, Estimates (Main and Spring Supplementary), Annual Report and Accounts and the Northern Ireland Teachers' Pension Scheme (NITPS) accounts and, in doing so, is responsible for securing funding, allocating resources, monitoring expenditure and reporting financial results. The Directorate's Analytical Services Unit (ASU) is responsible for the management of research, analysis and evidence needs from within the Department, statistical surveys (such as the School Census) and publication of associated reports. It provides advice and support in the monitoring and evaluation of PfG actions and policy, programme and project evaluations, the development and approval of business cases, and policy evaluations where ASU disseminates the results through lessons learned to the rest of the Department.

Key activities and performance during 2020-21:

- Monitoring of the 2020-21 Resource Budget was a significant achievement due to the challenging financial position within the education sector. The Department continued to robustly challenge the EA on its pressures, engaged with DoF on the scale of pressures impacting the education sector and successfully secured additional funding in-year to mitigate pressures.

- Completed the 2019-20 Annual Report and Accounts for DE, the 2020-21 Interim Accounts, the 2019-20 Financial Statements for the NITPS, the annual Trust Fund and Endowment Accounts, the 2020-21 Main and Spring Supplementary Estimates and the 2021-22 Vote on Account both for DE and the NITPS.

- Continued to operate the Common Funding Scheme which is the mechanism used to calculate each school's share of their funding stream.

- Providing input to the biennial National Fraud Initiative. Uploading of data, review and analysis of the 2020-21 matches is underway and is expected to be completed by October 2021.

- ASU provided annual assurance through the Business Case Test Drilling Process and supported the rollout of the new Five Case Model from 1 March 2021. It is expected that ALBs/NDPBs will move over to the Five Case Model in May this year.

- ASU continued to seek assurances from all Directors that Senior Responsible Owners for all significant value/high risk projects (including ICT Projects and major schools' capital projects) are ensuring that for all schools' capital and ICT business cases over £1m, are robustly managed and appropriately monitored.

- ASU statisticians provided a wide range of statistical, research and analytical support to policy officials in the Department and publish Official and National statistics.

- Rigorously challenged the EA on significant and high risk IT projects such as the ETS Programme and EA One Project through 6 weekly update meetings, the DE ICT Programme Board, and at EA Governance and Accountability Review meetings.

- Engaged with both DoF and the EA to ensure adequate additional funding was secured to address COVID-19 pressures. Small Departmental underspends have been reported at Final Outturn for 2020-21.

- The Directorate continues to play a critical role in the Department's COVID-19 response by providing support to the Education Restart Programme, the EA, CCEA, CCMS, DE Directorates, and engaging with DoF in seeking to secure additional funding as required.

The **Corporate Services & Governance Directorate** has oversight responsibilities for governance, accountability and assurance issues between the Department and its ALBs and, in liaison with Departmental sponsor teams, for the central administration and co-ordination of related functions/processes. It is also responsible for policy on school governance relating to the appointment/nomination of school governors and approving school schemes of management; and for managing independent school applications and registrations.

The Directorate's other responsibilities include: administering and monitoring grant support to three sectoral bodies, the Controlled Schools' Support Council (CSSC), the Catholic Schools' Trustee Service (CSTS) and the Governing Bodies Association (GBA); establishing interim Boards of Governors to support the establishment of new schools through the amalgamation of existing schools; and co-ordinating the Department's policy and role in relation to the implications of the UK's withdrawal from the EU.

The Directorate is also responsible for corporate services' functions across the Department including: vacancy management and staff engagement; management of the Minister's office, press office and communications; management of information; accommodation and security management; provision of advice on Equality and Human Rights; and responsibility for Emergency Management and Planning and Business Continuity.

Key activities and performance during 2020-21:

- Ongoing responsibility for the oversight and maintenance of the Department's Risk Management Framework (RMF) and CRR and for reporting to the DE ARAC and Board on corporate risks.

- Progressed work on the re-modelling project for Rathgael House, commencement of the construction phase is now well underway and is on track for completion by the end of 2021.

- Implementing the Executive's guidelines for remote working where possible and will facilitate staff returning to work in the COVID-19 recovery phase.

- Due to the disruption caused by COVID-19, the ALBs' 2020-21 Business Plans were not commissioned until June 2020, but they were reviewed and monitored in a timely manner once received.

- Led on oversight of governance, accountability and assurance issues between the Department and its NDPBs.

- Reappointed members to the Boards of CCEA and MCA, appointed a Chairperson and seven new members of the Board of CCEA, made appointments to the CCMS Council and the CCMS Diocesan Education Committees, and appointed an EA Chairperson. A public appointment competition was completed to identify a Vice Chairperson and two new members to serve on the MCA Board.

- Developed Terms of Reference for a Review of the EA, in line with Cabinet Office guidance.

- Enhanced DE's internet/intranet, social media accounts and improved web accessibility. The DE Twitter account has one of the highest Departmental followings. The website, together with the social media accounts, have been the primary sources of information in relation to disseminating guidance and advice in relation to COVID-19.

- During 2020-21 the Directorate funded and oversaw the delivery of the International Education Programme by the British Council NI.

- Considered the lessons learned around governance, policy and delivery in the Renewable Heat Incentive Lessons Learned Review final draft action plan and ensured that appropriate action has been taken.

- Led and co-ordinated DE's engagement with TEO regarding the potential impact of EU Exit on the education sector in NI. The Directorate also engaged with DoF and the Department for Digital, Culture, Media and Sport in Whitehall to develop appropriate mitigation plans for risks identified by ALBs in relation to the transfer, processing and protection of data in EU/European Economic Area or third countries.

The **Investment and Infrastructure Directorate** is responsible for strategic oversight of the delivery of the Department's Capital Works Programme. This includes both Major and Minor Capital Works; the School Enhancement Programme (SEP); the voluntary youth capital programme; and a programme of investment in SECs and GMI schools which is funded under the FSA. The Directorate also has responsibility for monitoring the Department's capital budget; the Department's Asset Management Plan; grant claw-back from closed voluntary schools; and consideration of leases and licences for the education estate.

Key activities and performance during 2020-21:

- Delivered a prioritised Capital Works Programme across the full range of programmes within the delegated capital budget limit and in line with strategic priorities.

- The Major Works programme (capital works projects to construct new schools) continued to progress during the 2020-21 financial year.

- Since June 2012, 75 major capital investment projects have been announced to advance in planning, with an estimated value at announcement of £966m. Of these 75 projects; 25 are complete, 8 have had a contractor appointed and/or are on site and 42 are in the development and design phase.

- Whilst good progress has been made in-year to improve speed of delivery across the programme through the further development and embedding of programme and project level governance, a number of issues continue to hamper progress on some projects. These issues include delays in securing statutory planning and protracted timescales for land acquisition.

- In order to mitigate planning issues, officials continue to work closely with the integrated consultant teams, the planning authorities and statutory consultees via the pre-application discussion process to address issues and concerns as early as possible in the design process. Officials continue to work closely with delivery partners and colleagues across all education sectors, Land & Property Services (LPS), DSO and owners of preferred sites.

- The SEP provides financial support to schools to improve their accommodation standards. Projects included in the SEP typically have a capital value of between £0.5m and £4m. Projects announced under the first SEP call have now been substantively completed i.e. 49 of the 50 announced projects are now complete or close to completion.

- A second call for applications under SEP closed on 28 February 2017. Four subsequent tranches of SEP projects have been announced from this call. Overall, 72 schools are now being progressed under SEP2 – 43 primary, 19 post-primary and 10 special schools. Design work on these projects has progressed well in 2020-21, with the leading projects anticipated to move to procurement early in 2022.

- The Minor Works programme continues to target inescapable statutory requirements, pupil specific requirements under the Disability Discrimination Act and other pressing needs to ensure that pupils are educated in safe and secure premises. Over £75m has been invested in Minor Works schemes across the whole schools estate in 2020-21.

- Work has continued to progress announced capital projects across Youth settings. Announced youth schemes have continued to be funded in 2020-21 to a level similar to previous years.

- The Directorate continues to work with partners to deliver the projects announced under the FSA capital funding. The 28 projects comprise of 11 GMI primary schools, 12 GMI post-primary schools and 5 SECs. Of these 28 projects; 2 are complete, 16 have approved business cases and are in the detailed design phases, 8 are at earlier stages of feasibility/planning, 1 project is on hold and 1 project has been cancelled. The SSEC is also eligible for funding from the FSA capital budget.

- Construction projects have not been significantly impacted by EU Exit to date, although the construction industry has raised the issue of delays in obtaining materials which, together with the associated potential cost impact, could lead to higher tender prices in 2021-22.

- In the early stages of the pandemic, work on the majority of construction projects stopped for several weeks where projects were already on-site. Over the following weeks, contractors returned to site with modified working practices to ensure they adhered to guidance in place at that time. Where there were additional costs associated with the delays and revised ways of working, these were dealt with as compensation events funded from within the approved risk envelop of the individual projects. While any agreed additional costs were relatively small in relation to the overall scale of the projects, these were considered within the context of the approved business case and relevant DoF/Construction and Procurement Delivery (CPD) guidance to ensure the overall expenditure remained within the approved cost limits.

SSEC Programme

The SSEC Programme is responsible for the delivery of a significant capital investment in the construction of six core schools and associated shared education facilities in Omagh. Plans for the development were originally submitted in 2010 and work began in 2013. Arvalee School and Resource Centre opened to pupils in September 2016. There are plans for five other schools to move on-site: Omagh High School, Sacred Heart College, Omagh Academy, Christian Brothers Grammar School and Loreto Grammar School.

The Department remains committed to this educationally and strategically significant Programme. HM Treasury approved the arrangements for the release of FSA funding for the Programme through to completion and the Executive also reaffirmed its commitment to the Programme in September 2020. Delivery of both the construction and non-construction aspects are ongoing.

Key activities and performance during 2020-21:

- Continued to work closely with the six school principals and their teams to build on the culture of sharing in Omagh, albeit within a challenging environment as schools continued to recover and adapt to the ongoing disruption due to the COVID-19 pandemic.

- Formally closed the previous Main Works Contract procurement. A Ministerial Direction will be required prior to relaunching the new competition.

- The Site Preparation Works contract is complete and has delivered a site which is a significant bespoke development site for the Strule Campus, remediated of contaminated land and engineered to a high specification. This has ensured that construction work will be able to commence immediately following successful appointment of a main works contractor. Completion of the Campus is planned for 2025.

ETI

ETI promotes the highest possible standards of learning, teaching and achievement throughout the education, training and youth services. ETI provides an unbiased, independent, professional assessment of the quality of learning and teaching, including standards achieved by learners, publishing reports on individual organisations, and summary reports on aspects of the quality of education, training and youth sectors in NI.

Key activities and performance during 2020-21:

- During the 2020-21 year, ETI inspections were paused and resources were redirected to COVID-19 emergency response planning, and education and training restart planning; supporting programmes of work led by DE.

- ETI worked with schools and the wider education system to provide advice and support. Most inspectors were deployed as link officers to support the education system in partnership with CCMS, CSSC and EA advisers, and a small number of inspectors were seconded into specific support roles to assist with response planning. In pre-school and youth, ETI District Inspectors continued to provide advice and guidance to pre-school and youth settings in their localities.

- The ETI website was updated with advice and support for COVID-19, with consultation on the delivery of remote learning, considerations for planning and self-evaluation in 2020-21, remote and blended learning, curricular challenges and approaches, and safeguarding – remote and blended learning to include advice on challenges and approaches.

- Significant planning was put in place to resume supportive inspection visits in January 2021, but this was paused as a consequence of the second lockdown implemented at the end of December 2020.

- ETI have been commissioned by the Department to undertake monitoring visits to schools in the follow-up process, commencing with those in the Formal Intervention Process from May 2021. This will inform the future planning of ETI inspection and evaluation priorities.

2.4 Summary of the Department's financial performance

Statement of Comprehensive Net Expenditure (SOCNE)

A summary of the SOCNE for the year to 31 March 2021 is set out below:

	2020-21 £000	**2019-20 £000**	**Variance £000**	**Variance %**
Net operating cost for the year ended 31 March	2,582,487	2,302,999	279,488	12.1

In 2020-21, the Department paid a total of £2,492m in Grant-in-Aid to its NDPBs to fund recurrent and capital expenditure on schools and youth services. The majority of this grant funding, £2,038m, was paid to the EA. £429m was paid to voluntary maintained, VG and GMI schools. £2,243m was paid in Grant-in-Aid to NDPBs in 2019-20. The increase in Grant-in-Aid in 2020-21 compared to 2019-20 has been explained in the section on long term expenditure trends.

In 2020-21, the Department paid grants of £72m (compared to £45m in 2019-20) to other organisations. In 2020-21, grants of £32.6m were payable to the Early Years Organisation, the HSC Business Services Organisation and for boarding school support as part of the COVID-19 Response.

Total DE staff costs in 2020-21 amounted to £30.5m (compared to £28.7m in 2019-20) of which £1m (compared to £1.2m in 2019-20) was capitalised. The increase in staff costs was due to the implementation of the August 2019 pay rise, an estimated accrual for an August 2020 pay rise, a salary for the Special Adviser and increased overtime costs.

Purchase of goods and services amounted to £5.4m in 2020-21 which is similar to the equivalent amount in 2019-20 (these figures exclude notional costs which amounted to £3.4m in 2020-21 and £3.6m in 2019-20 respectively). The decrease in the notional costs is largely due to a reduced charge from DoF for accommodation.

Statement of Financial Position

A summary of the Statement of Financial Position for the year to 31 March 2021 is set out below.

	31 March 2021 £000	**31 March 2020 £000**	**Variance £000**	**Variance %**
Total assets less total liabilities	(23,163)	(24,460)	1,297	5.3

Property, plant and equipment has increased to £46.4m from £44.8m in March 2020. This increase of £1.6m was due to:

- additions amounting to £1m in respect of the SSEC, including the salaries and expenses of the DE SSEC Programme Team, and £0.6m for assets under construction at other SECs (Ballycastle, Moy, Duneane/Moneynick and Brookeborough);

- an increase of £0.2m in the value of the land at the SSEC as a result of the year-end revaluation by LPS; and

- depreciation of £0.2m, mainly for the Arvalee School building.

Intangible assets increased from £3.8m to £5.2m. This increase includes £1.4m for the Teachers' Pension System and £0.2m for the ETI Inspection Planning, Insight and Reporting Environment (InsPIRE) system, less depreciation of £0.2m.

Trade and other receivables have increased from £7.1m at 31 March 2020 to £10.5m at 31 March 2021. Between 31 March 2020 and 31 March 2021 grants receivable for the EU Peace IV programme decreased from £3.5m to £3.3m as a result of receipts from the EU. The amount due from the Consolidated Fund in respect of Supply increased from £2.1m to £5.2m, and prepayments increased from £0.1m to £0.5m (due to payment before the 31 March 2021 of the 2021-22 teachers' payroll maintenance agreement (£0.3m) and the 2021-22 maintenance agreement for the Safer Schools NI app (£0.1m)).

Trade and other payables have increased from £80.9m at 31 March 2020 to £85.4m at 31 March 2021. Movements in key areas are as follows:

- Other taxation and social security, which relates to PAYE/NIC due to HMRC for the March 2021 teachers' payroll, increased as a result of higher monthly teacher payroll costs owing to a pay rise which was implemented in June 2020;

- The Major/Minor Works creditor decreased from £52.6m at 31 March 2020 to £50.9m at 31 March 2021;

- Accruals increased from £7.2m at 31 March 2020 to £8.5m largely due to:

    - an increase of £0.3m in the holiday pay accrual as a result of an increased number of staff carrying forward at least 9 days of the previous year's annual leave entitlement;

    - an accrual of £1.4m for COVID-19 related Childcare grants;

    - an accrual of £0.8m for a Boarding School Support grant; and

    - a reduction of £1.5m in the capital accruals for the SSEC and the teachers' pension system (from £2.4m at 31 March 2020 to £0.9m at 31 March 2021)

- Deferred income increased from £0.8m at 31 March 2020 to £1.5m at 31 March 2021 because cash received in March 2021 for the Vulnerable Persons Relocation Scheme relates to spend which will be incurred in 2021-22.

- Consolidated Fund Extra Receipts (CFERs) due to be paid to the Consolidated Fund have increased from £2.7m at 31 March 2020 to £4.2m at 31 March 2021. At 31 March 2021 the amount due to the Consolidated Fund in respect of CFERs is largely due to the sale of property by the Department's NDPBs and varies significantly from year to year, depending on the property available for sale and on the buoyancy of the market.

2.5 Commentary on significant variances between Estimates and Outturn

A detailed analysis of Outturn against Estimate by function can be found in the Statement of Outturn against Assembly Supply (SOAS) note 1 within the Accountability Report. The table below summarises Outturn against Estimate and links directly to the SOAS, a key accountability statement which is audited.

	2020-21 Outturn £000	2020-21 Estimate £000	Outturn vs Estimate, saving/ (excess) £000
Total Resources*	2,586,644	2,792,406	205,762
Net Cash Requirement	2,584,299	2,809,715	225,416

* Total Resources is made up of: Departmental Expenditure Limit, Annually Managed Expenditure, and Non-Budget.

In terms of Total Resources, the Department's net resource outturn for the year was 7.4% (£206m) less than the Spring Supplementary Estimate for the year. This was primarily due to lower than anticipated drawdown of cash grant-in-aid (Non-Budget) by the Department's NDPBs.

The Estimate figure each year includes the best forecast of Non-Budget grant-in-aid i.e. the cash required by the Department and its NDPBs, when the Estimates were prepared. The last revision to the Estimate is normally in January, well before the end of the financial year in question. As cash is only drawn down as required, this variance reflects the difference between the estimated cash requirement and the actual amount of cash required in-year. The variance between the Estimate and net resource outturn does not represent an under-spend against the DE budget.

In 2019-20 the Department's net resource outturn was 5.6% less than the Spring Supplementary Estimate that year. Again this was primarily due to lower than anticipated drawdown of cash grant-in-aid. The overall increased variance in 2020-21 was due to the intent to ensure that the education sector had sufficient support to address the challenges of COVID-19, somewhat offset by the impact of school closures in the last quarter of 2020-21.

The Net Cash Requirement shows a total underspend of £225m (8.0%) against the Spring Supplementary Estimate for the year. This was due to:

- Resource outturn being less than the Estimate by £206m, as noted above;

- the following non-cash items: depreciation, impairments and revaluation charge to the SOCNE were £1.8m lower than the Estimate due to a higher than anticipated valuation for land and buildings;

- other non-cash items were £1.1m less than the Estimate due to lower than expected provisions and notional costs; and

- changes in working capital balances were less than the Estimate by £21.7m due to a lower than expected decrease in "trade payables" - the increase in liabilities is mainly due to the timing of both resource and capital grant payments.

The Public Sector Budgeting Framework

DoF is responsible for the management of the NI Executive Budget process in line with a budgetary framework set by HM Treasury.

The total amount a Department spends is referred to as the Total Managed Expenditure, which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

HM Treasury, and in turn DoF, does not set firm AME budgets. They are volatile or demand-led in a way that Departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, which in turn report to HM Treasury.

As DEL budgets are understood and controllable, HM Treasury sets firm limits for DEL budgets for Whitehall Departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive Departments.

DEL budgets are classified into Resource and Capital.

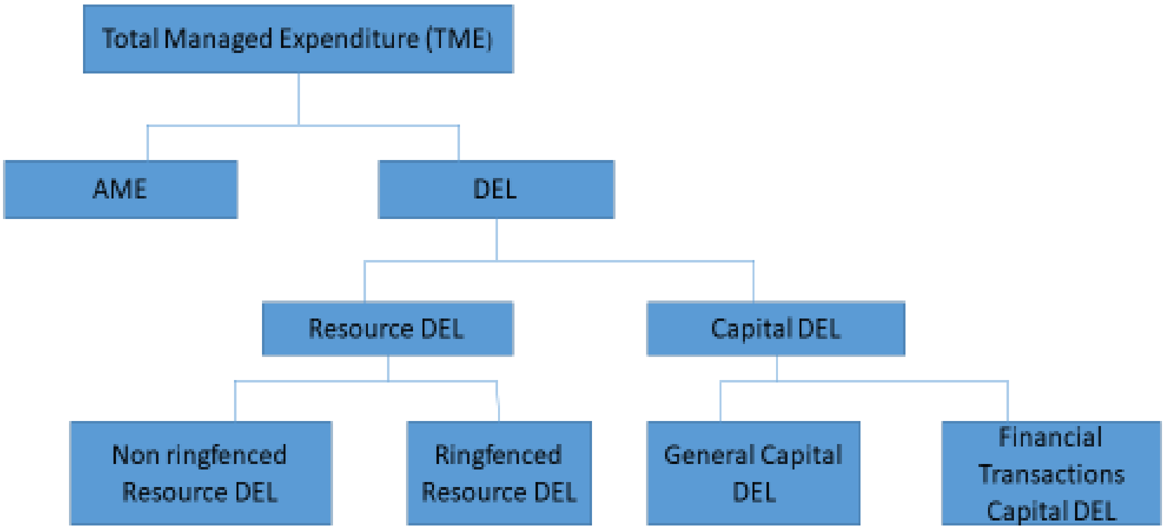
- Resource budgets are further split into non-ring-fenced Resource that pays for programme delivery and departmental running costs, and separately ring-fenced Resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans given or shares purchased and 'general capital' for spending on all other assets or investments.

The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury.

https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022.

Budget Structure



Budgetary Performance

Details of the Department's performance against Budgetary Control totals is set out in the table below.

	Final Plan 2020-21 £000	**Final Outturn 2020-21 £000**	**Underspend/ (Overspend) £000**
Resource DEL	**2,486,352**	**2,464,107**	**22,245**
including			
Non-ringfenced	2,485,440	2,463,231	22,209
Ringfenced D/I	912	876	36
Capital DEL	**163,726**	**162,621**	**1,105**
including			
General Capital	163,726	162,621	1,105
FTC	-	-	-
Total DEL	**2,650,078**	**2,626,728**	**23,350**
AME	**185,822**	**184,572**	**1,250**
Including			
AME Resource	185,822	184,572	1,250
AME Capital	-	-	-
Total Managed Expenditure	**2,835,900**	**2,811,300**	**24,600**

Explanation of Variances

Resource DEL Underspend

The Resource DEL underspend is largely due to the unpredictable environment presented by the COVID-19 pandemic and the prolonged closure of schools during 2020-21. The underspend is largely made up of reduced schools' Aggregated Schools' Budget (ASB) expenditure of £10.4m; contingency funding held for COVID-19 responses that was subsequently not required (c£3m); lower than expected uptake in respect of childcare related COVID-19 responses (c£4m); and a number of other small underspends totalling approximately £4.8m. This underspend is within the 1% tolerance set out in the Departmental business plan.

Capital DEL Underspend

The Capital DEL underspend relates mainly to a small number of capital projects approved late in the financial year which have not been reflected in the Final Plan position. The c£1.1m underspend represents a 0.67% underspend against the gross Capital budget which falls well within the Departmental target of achieving 98% of Capital spend against budget.

AME Underspend

The net AME underspend of £1.3m mainly consists of a £4.8m underspend on provisions, a £1.7m underspend as a result of lower than expected revaluation adjustments and a £5m overspend in respect of impairment charges.

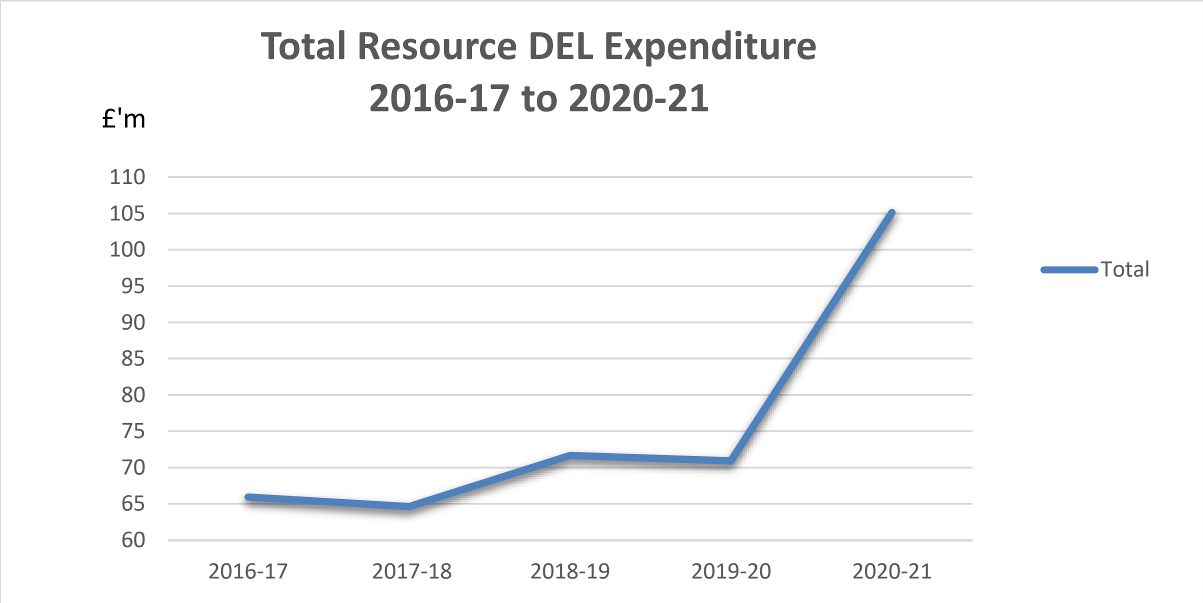
Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

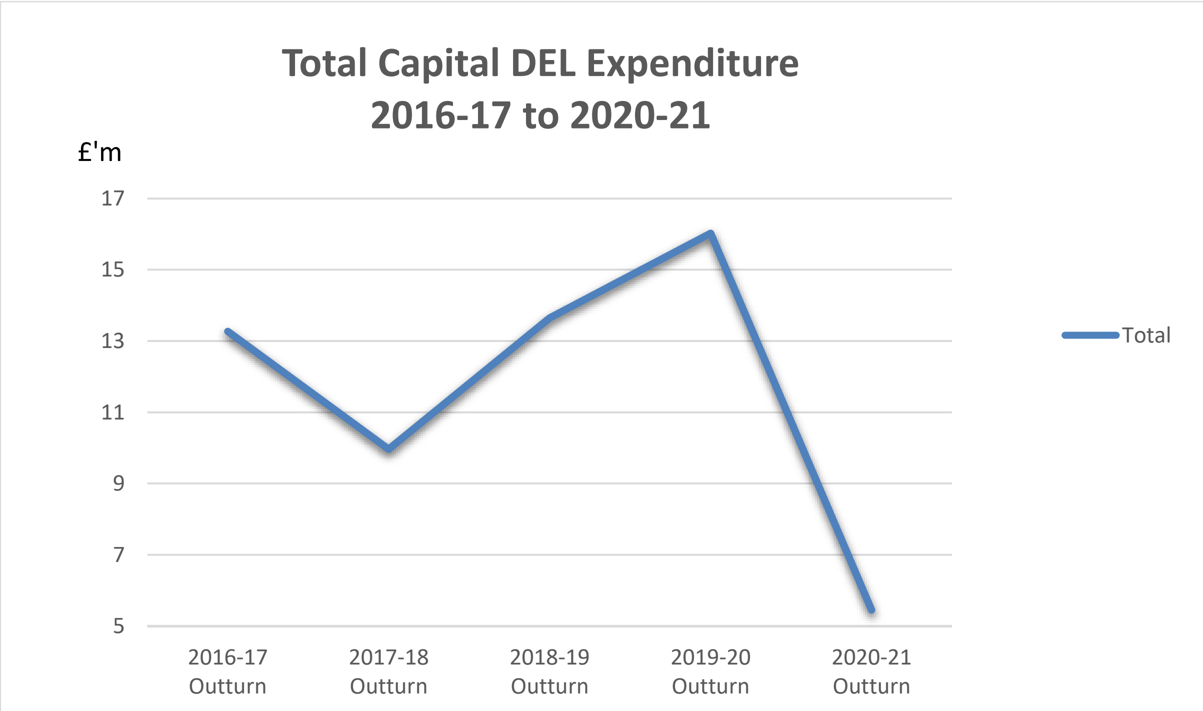
A reconciliation of the Department's resource expenditure between estimates, accounts and budgets is provided within the table below:

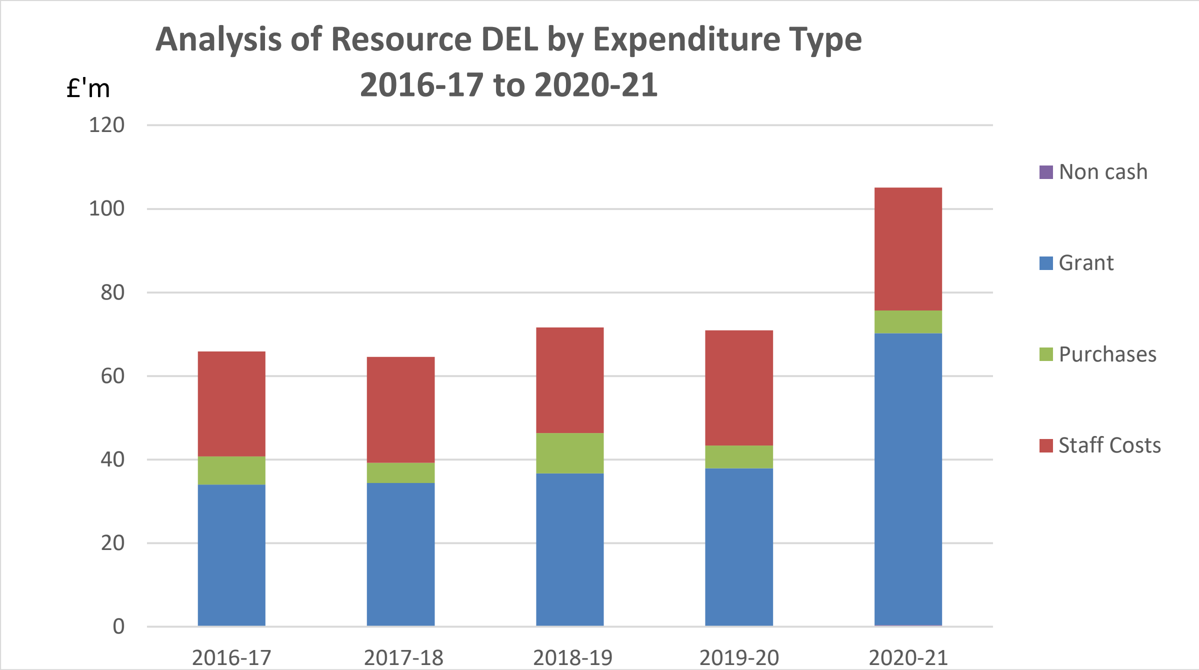
	2020-21 £000	2019-20 £000
Net Resource Outturn (SOAS note 2)	2,586,644	2,305,713
Consolidated Fund Extra Receipts in the Statement of Comprehensive Net Expenditure	(4,157)	(2,714)
Net Operating Cost (SOCNE)	**2,582,487**	**2,302,999**
Adjustments to remove:		
Capital grants and capital grant income	(2,303)	(7,560)
Voted expenditure outside the budget	(2,492,456)	(2,243,181)
Notional inter-departmental charges	(3,467)	(3,573)
Capital Consolidated Fund Extra Receipts	4,017	2,662
Adjustments to include:		
Resource consumption of NDPBs	2,560,401	2,267,875
Resource Budget Outturn (Budget)	**2,648,679**	**2,319,222**
of which		
Departmental Expenditure Limits (DEL)	2,464,107	2,143,936
Annually Managed Expenditure	184,572	175,286

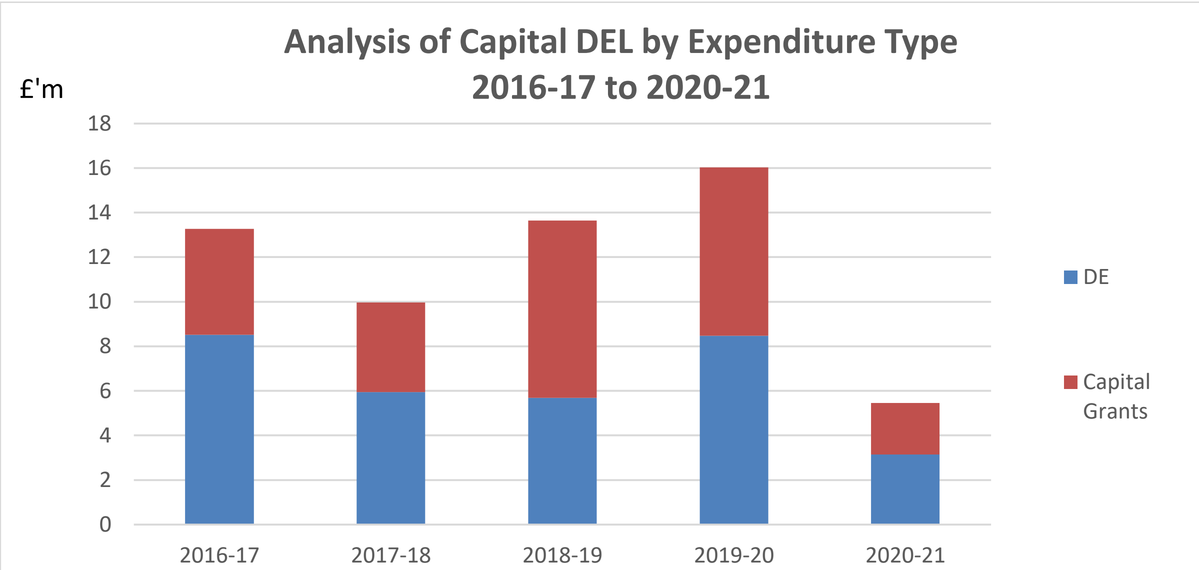
2.6 Long term expenditure trends

The graphs below show 5 years of budget outturn data in relation to the Department's own spending. The detailed data is shown in the long term expenditure table in the next section.









<u>Resource DEL expenditure</u>

Resource DEL expenditure increased from £70.9m in 2019-20 to £105.1m in 2020-21 largely due to grants payable to the Early Years Organisation, the HSC Business Services Organisation and for boarding school support as part of the COVID-19 Response.

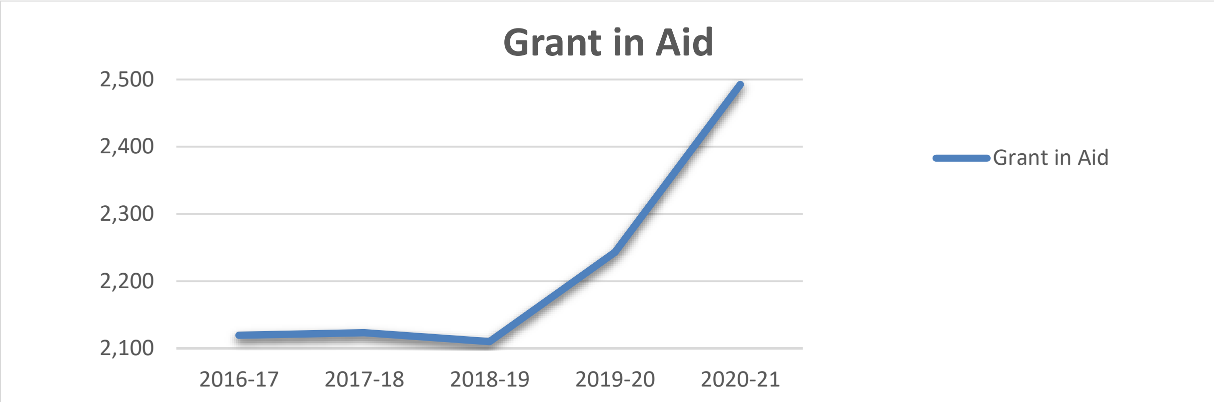
<u>Capital DEL expenditure</u>

Capital grant paid by the Department to other organisations, excluding ALBs, is classified as capital DEL for budget reporting.

Capital DEL expenditure has decreased from £16m in 2019-20 to £5.5m in 2020-21 due to decreased spend on Capital Grants and on Departmental assets.

Grant-in-Aid

Grant-in-Aid is funding provided to the Department's ALBs to fund recurrent and capital expenditure and is classified as Non-Budget for budget reporting. In 2020-21, teachers' payroll costs increased by £144m (from £909m in 2019-20 to £1,053m in 2020-21) for controlled and GMI schools (processed by the DE Teachers' Pay Team). The June 2020 teachers' payroll included a back-dated pay-rise for the 2017-18 and 2018-19 years. In addition, in 2020-21, there were additional costs associated with the COVID-19 Response and Education Restart.



Long term expenditure tables

	2020-21 £000	2019-20 £000	2018-19 £000	2017-18 £000	2016-17 £000
Total Resource DEL	**105,135**	**70,910**	**71,668**	**64,617**	**65,913**
Of which:					
Staff costs	29,448	27,541	25,326	25,345	25,152
Purchases	5,403	5,431	9,606	4,867	6,759
Grant	69,882	37,724	36,526	34,189	33,818
Non-cash	402	214	210	216	184
Total Resource AME	**(15)**	**75**	**(242)**	**(739)**	**1,079**
Of which:					
Provisions	(15)	215	21	128	27
Impairments	-	(140)	(263)	(867)	1,052
Total Resource DEL and Resource AME	**105,120**	**70,985**	**71,426**	**63,878**	**66,992**
Of which:					
Staff costs	29,448	27,541	25,326	25,345	25,152
Purchases	5,403	5,431	9,606	4,867	6,759
Grant	69,882	37,724	36,526	34,189	33,818
Non-cash	402	214	210	216	184
Provisions	(15)	215	21	128	27
Impairments	-	(140)	(263)	(867)	1,052
Total Capital DEL	**5,451**	**16,025**	**13,646**	**9,961**	**13,267**
Of which:					
Departmental capital	3,148	8,464	5,683	5,946	8,516
Capital Grants	2,303	7,561	7,963	4,015	4,751
Total Capital AME	**-**	**-**	**-**	**-**	**-**
Total Capital DEL and Capital AME	**5,451**	**16,025**	**13,646**	**9,961**	**13,267**
Total Resource DEL, Resource AME, Capital DEL and Capital AME	**110,571**	**87,010**	**85,072**	**73,839**	**80,259**
Of which:					
Total DEL	110,586	86,935	85,314	74,578	79,180
Total AME	(15)	75	(242)	(739)	1,079

2.7 Future development and performance

The published long term attainment targets are included in in the *Analysis of 2020-21 performance against targets* section of this report. Subject to the Executive's agreement, the next PfG will set out other long term targets and commitments for the Department which will be incorporated into future Corporate and Business Plan documents.

2.8 Social, community and human rights

When preparing or revising policies/decisions, consideration is given to any impact on equality (in accordance with Section 75 of the NI Act 1998) and human rights (the Human Rights Act 1998 and United Nations conventions).

United Nations Convention on the Rights of the Child (UNCRC)

The Department has responsibility for coordinating UNCRC matters on behalf of the NI Executive.

The UNCRC is a human rights treaty which sets out rights specific to children and young people. Every five years the United Nations Committee on the Rights of the Child assesses how well a government is respecting the rights of children. At the end of its examination it publishes its 'concluding observations' report which sets out where the UN Committee thinks a government is doing well and where it needs to do better, and makes recommendations on actions the government should take to improve children's rights.

The UN Committee last examined the UK in 2016 and published its concluding observations in July 2016.

While the UN Committee acknowledged the good progress made across all the four UK jurisdictions (England, Scotland, Wales and NI) there are a wide range of issues covered in the concluding observations and it is important that a collective approach across all of the UK countries is taken when considering its recommendations.

The next UNCRC examination of the UK has commenced and the UN Committee has provided the UK with the List of Issues Prior to Reporting (LOIPR). The UK has one year to compile the response and work is underway.

Executive Children and Young People's Strategy 2020-2030

Both the UNCRC articles and the concluding observations serve as a helpful and important guide to making sure that our policies – whether they hold direct or indirect consequences – consider children. The Executive's Children and Young People's Strategy, agreed on 10 December 2020, is the main strategic instrument through which all nine Departments will work together to improve the wellbeing of our children and young people and it will ensure that due regard is given to the rights of children and young people.

Developed to align with the PfG and the Children's Services Co-operation Act (Northern Ireland) 2015, the new Strategy outlines how the Executive will work collaboratively to improve the wellbeing of children and young people and the outcomes it seeks to achieve across eight key areas of physical and mental health; play and leisure; learning and achievement; safety and stability; economic and environmental wellbeing; positive contribution to society; respect for their rights; and good relations and equality of opportunity.

Executive Childcare Strategy

DE has policy responsibility for childcare policy and the development of the Executive Childcare Strategy.

The principles of the UNCRC, will be taken into consideration when the Executive Childcare Strategy is being developed. The Strategy will promote children's rights and reflect the main guiding principles of the UNCRC.

Shared Education

Funding to support Shared Education continued in the reporting period. Given the impact of COVID-19 and the focus on education recovery, the level of pupil engagement has reduced significantly. The focus for school leaders has been on individual schools supporting their own pupils, staff and communities. There is some evidence across the system of collaboration and communication between Shared Education partnerships throughout this time. These relationships have been crucial in helping schools to navigate their way through this extremely challenging period.

The Department leads on the Executive's T:BUC Strategy headline action in relation to new SECs. Capital funding was secured under the FSA for five projects approved to proceed in planning to date under the SEC Programme; Limavady SEC; Ballycastle SEC; Moy SEC; and Brookeborough SEC which are at various stages of development. The Minister made the difficult decision in October 2020 to terminate the Duneane and Moneynick SEC project due to sustainability issues and concerns over the ability to create a value for money argument within the business case. The Department is continuing to explore options for funding in order to progress projects identified from the third call

Rural Needs Act (NI) 2016

In line with its obligations under Section 1 of the Rural Needs Act (NI) 2016, 16 Rural Needs Impact Assessments were completed across the Department during the 2020-21 year. These assessments will be listed within the Rural Needs Annual Monitoring Report 2020-21, published by DAERA.

2.9 Other Matters

Environmental issues

DoF Properties Division is responsible for managing the NICS office estate which, for DE, relates to Rathgael House and Waterside House, and includes associated building services and planned preventative maintenance e.g. boilers, lighting etc.

DE oversees the development, co-ordination and implementation of the NICS strategy and policies in relation to energy and sustainability, by ensuring that a Departmental Energy Manager and Premises Officers are appointed and that their roles and responsibilities are clear.

DE's Energy Manager collects and maintains energy data for all buildings occupied by the Department and monitors energy in order to identify high or irregular energy consumption. The overall aim is to raise staff awareness and hence make savings through improvements and good housekeeping.

A project to assess the benefits of automatic meter reading systems in schools has been delayed by the COVID-19 pandemic. While the systems have been installed in over 50 schools, the proposed engagement with the schools aimed at driving behavioural change and quantifying the benefits of the systems has been put on hold. Re-commencement of this pilot project will be considered in autumn 2021.

The Department is represented on the Future Generations Group (formerly known as the Cross Departmental Working Group on Climate Change), as well as its mitigation and adaptation subgroups. This Working Group ensures a proactive, interdepartmental approach is taken towards achieving greenhouse gas emissions reductions targets, including those in the Climate Change Act 2008. Greenhouse gas emissions are also an indicator associated with Outcome 2 in the draft PfG, "We Live and Work Sustainably – protecting the environment".

Sustainability

The Department is committed to the achievement of sustainability in construction procurement. This concerns the procurement and delivery of building, engineering and refurbishment projects that promote environmental, social and economic gains now and for the future. All school projects that receive capital funding from the Department are expected to comply with the requirements detailed in Guidance Notes on sustainability issued by CPD within DoF.

All school building contracts include overarching requirements in respect of energy, water and low carbon design to ensure the accommodation is sustainable and energy efficient. Cycle shelters may also be incorporated into school design to encourage active travel to school. The Department works with Department for Infrastructure (DfI) and the PHA in support of their Active School Travel Programme, which aims to encourage more pupils to walk, cycle or scoot to school.

Building Research Establishment Environmental Assessment Method (BREEAM) is used to assess the environmental performance of new and existing buildings. Where possible, the Department requires all Major Works for schools to achieve a BREEAM rating of ‘excellent’ in new school builds and ‘very good’ for refurbishment projects. The Department’s building handbooks are designed to support the achievement of the appropriate BREEAM rating, within the affordability envelope for each project. Where appropriate, renewable energy sources are employed for the heating and power generation in schools.

The Department is also undertaking a pilot project across five recently announced Major Capital Works. The project will consider the costs and benefits realised from designing and constructing these new schools to enhanced energy efficiency standards. The integrated consultant teams responsible for the design work will be tasked with meeting near-zero emissions for the buildings. This requirement will be specified in slightly different way for two groups of the schools (one based on a BREEAM specification; the other based purely on energy consumption) with the aim of the pilot project also being used to assess the best mechanism for specifying the enhanced energy efficiency requirement. These five projects are at an early stage and the pilot will run throughout the complete design, approval, procurement, construction and early occupation life-cycle of each project.

An assessment of the impact of construction on ecology and biodiversity is undertaken as part of the BREEAM rating. The Schools’ Building Handbook specifies that outside space should satisfy the Department’s policy on biodiversity e.g. habitat replacement, bird boxes and bat boxes.

The Department’s waste management and recycling contracts are procured by CPD within DoF. Contractors have to deliver these services in accordance with the Sustainable Development Strategy for NI.

Signed:______________________________ **Date: 26 October 2021**

Accounting Officer

DEPARTMENT OF EDUCATION ANNUAL REPORT

ACCOUNTABILITY REPORT

3. CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Department's governance structures and how they support the achievement of the Department's objectives.

3.1 Directors' report

Ministerial responsibility

Mr Peter Weir MLA was Minister with responsibility for Education for the 2020-21 year.

Senior officers

The Department is normally headed by the Minister for Education, supported by the Permanent Secretary, three Deputy Secretaries, a Chief Inspector, the Finance Director, DE Strategic HR Business Partner and two independent non-executive directors. However, there is currently one non-executive director vacancy. The composition of the Departmental Board during the year was as follows:

Mr Derek Baker/Dr Mark Browne#	Permanent Secretary
Mrs Fiona Hepper	Deputy Secretary
Mr John Smith	Deputy Secretary
Mrs Lianne Patterson	Deputy Secretary
Mrs Faustina Graham	Chief Inspector, ETI (from November 2020)
Mr Gary Fair	Finance Director
Ann Moore*	Departmental Strategic HR Business Partner
Carol Gordon+	Departmental Strategic HR Business Partner

#Derek Baker retired in December 2020. Lianne Patterson acted as interim Permanent Secretary until the appointment of Dr Mark Browne in March 2021.
*Until the November meeting
+Since the January meeting

Non-Executive Board Members

Mrs Joan McEwan

Pension liabilities

Treatment of pension liabilities is disclosed in accounting policy note 1.12 and in the Remuneration Report.

Financial instruments

Financial instruments are not material for the assessment of the Department's assets, liabilities, financial position and net expenditure (see note 9 in the Financial Statements section).

Company directorships

There are no company directorships or significant interests held by any of the senior management team members which conflict with their management responsibilities. Mrs Joan McEwan is a non-executive board member of the Patient and Client Council (an ALB of the DoH) and has confirmed that this role has not conflicted with her position as an independent non-executive director of the Department.

Auditor

The financial statements are audited by the Comptroller and Auditor General (C&AG) for NI in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. He is head of the Northern Ireland Audit Office (NIAO) and he reports his findings to the NI Assembly. He and his staff are wholly independent of the Department.

The audit of the financial statements for 2020-21 resulted in a notional audit fee of £65k which is included in the administration costs in the SOCNE.

Equality statement

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

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

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

Complaints handling

Details of the Department's complaints procedure are available on the Department's internet site at https://www.education-ni.gov.uk/complaints-procedure-3.

In 2020-21, 19 complaints were received under the procedure, compared to eight in the previous year.

All complaints are analysed and lessons learned compiled into a year-end report which is considered by the Departmental Board. Complaints are centrally monitored for any emerging trends. Any such issues identified are raised with senior management for consideration and resolution.

No complaints have been referred to the NI Public Services Ombudsman for investigation in 2020-21.

Personal data related incidents

In line with the requirements of the Data Protection Act 2018/UK General Data Protection Regulation (GDPR), the Department has a data breach detection, investigation and internal reporting policy and process in place, which is published on the DE Intranet site for staff. The Department has a duty to report certain types of personal data breach to the Information Commissioner's Office (ICO) within 72 hours. In addition, if a breach is likely to result in a high risk of adversely affecting individuals' rights and freedoms, those individuals must be notified too.

In 2020-21 the Department did not have cause to report any personal data breaches to the ICO or data subjects.

Events occurring since the end of the financial year

There are no events after the reporting period relating to the 2020-21 financial year.

Payment of suppliers

The Department is committed to the prompt payment of bills for goods and services received, in accordance with the Better Payment Practice 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.

As part of the NI Assembly's efforts to support businesses during the current economic circumstances, Accounting Officers were asked to support a commitment to paying invoices within 10 working days.

During 2020-21, 90.52% (94% 2019-20) of invoices were paid within 10 days and 96.35% (98% 2018-19) of invoices were paid within 30 days.

The Department's performance both in terms of paying invoices within 10 days and 30 days can be viewed on the Account NI website:

NICS Prompt Payment Table for 2020-2021.XLSX (finance-ni.gov.uk)

No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Disclosure of information to auditors

So far as the Accounting Officer is aware, there is no relevant audit information of which the Department's auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

3.2 Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act (NI) 2001, DoF has directed the DE to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* (FReM) and in particular to:

- observe the Accounts Direction issued by the DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the *Government* FReM have been followed, and disclose and explain any material departures in the accounts;

- prepare the accounts on a going concern basis; and

- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable, and to take personal responsibility for the Annual Report and Accounts and the judgements required for determining that they are fair, balanced and understandable.

The DoF has appointed the Permanent Secretary of the Department as Accounting Officer of the Department. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the DE's assets, are set out in Managing Public Money NI (MPMNI).

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

3.3 GOVERNANCE STATEMENT

3.3.1 INTRODUCTION

This Governance Statement is a key feature of the Department's annual report and accounts. It provides details of how I, as Accounting Officer, have ensured effective management and control of resources during the 2020-21 year, and of the action taken to ensure effective risk management and a high standard of corporate governance.

The Head of Internal Audit has provided me with a report on internal audit activity within the Department during the year and a satisfactory opinion on the Department's governance, risk management and internal control system. There was one limited opinion awarded during 2020-21 in respect of the review of Area Planning, which was subsequently raised to a satisfactory opinion in-year as a result of a follow up review by Internal Audit. After further consideration during a follow up review of Minor Works, Additional Educational Needs and School Governance, three limited opinions remain from prior years. An Annual Fraud Report was also finalised, which did not require an opinion.

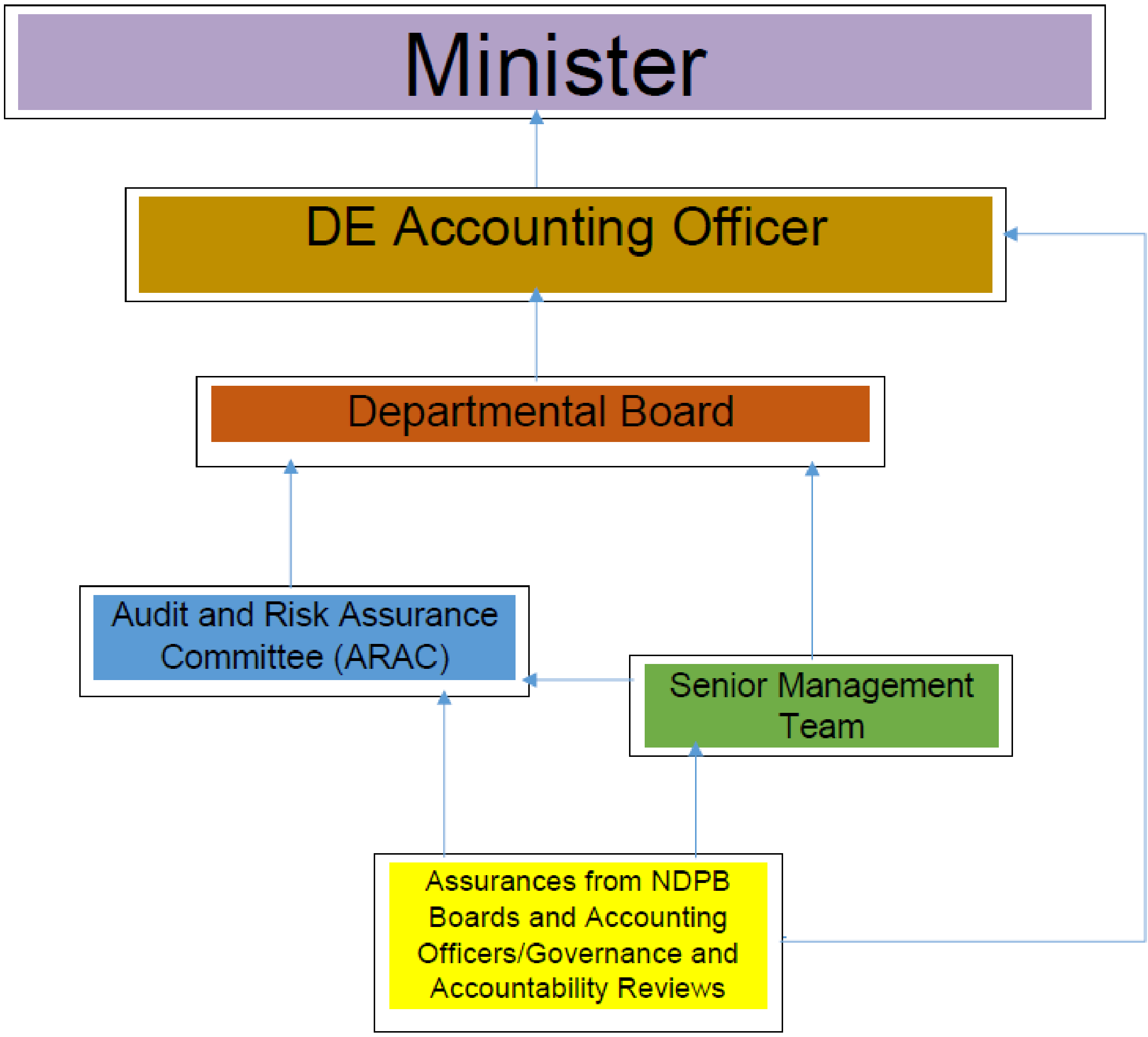
There were no DE specific audits completed within the NICS Cyber Risk Internal Audit Plan for 2020-21.

The following statement primarily focuses on the Department, as each of its NDPBs provides an equivalent statement within its published report and accounts.

3.3.2 DE GOVERNANCE FRAMEWORK

DE operates under the direction and control of the Minister of Education who is the Head of the Department. The Minister leads the Department and is responsible and accountable to the Assembly for the policies, programmes and actions of the Department. As Permanent Secretary, I am the Minister's principal adviser, the administrative head of the Department and the Accounting Officer. As Accounting Officer, I am personally responsible and accountable to the Minister and to the Assembly for the effective management and organisation of the Department, including the use of public money and the stewardship of its assets.

The Department operates a detailed governance and accountability framework designed to help it oversee and hold to account the NDPBs which it sponsors. This is described more fully in section 9 below. In my role as Accounting Officer, I function with the support of the Departmental Board, its ARAC and my Senior Management Team. This structure is outlined below:



The Departmental Board

The Department is managed by a Departmental Board which, within the strategic framework set by the Minister, supports me as Permanent Secretary in discharging my role.

The Departmental Board is chaired by me and comprises three Deputy Secretaries; the Chief Inspector of the ETI; the Finance Director; the Departmental Strategic HR Business Partner; and two independent non-executive directors. (There has been one Non Executive Board Member (NEBM)) since January 2020; a recruitment competition is underway to fill the vacancy, with the aim of announcing an appointment by the end of October or early November 2021). The role of the NEBM is to: provide an independent and external perspective on the work of the Departmental Board; bring some specific expertise to its discussions; and provide a constructive challenge across the Departmental Board's business. Other Departmental Directors have been invited to attend meetings where agenda items relevant to their business areas required their attendance to inform discussion. The Departmental Board's work is guided by a Corporate Governance Framework, which is reviewed regularly. During 2020-21, the Departmental Board met on 7 occasions.

Departmental Board Membership and Attendance 2020-21

A list of members is provided below along with details of their individual attendance records:

Board Member	Meetings Attended	Out of a possible
Derek Baker (Chair)	4	5
Faustina Graham (Chief Inspector, ETI)	3	3
Fiona Hepper (Deputy Secretary)	6	7
John Smith (Deputy Secretary)	6	7
Lianne Patterson (Deputy Secretary)	7	7
Gary Fair (Finance Director)	7	7
Joan McEwan Independent Board Member and Chair of ARAC	7	7
Ann Moore (Departmental Strategic Human Resource Business Partner)	0	2
Carol Gordon (Departmental Strategic Human Resource Business Partner)	2	2

Derek Baker retired in December 2020. Lianne Patterson was temporarily promoted to Permanent Secretary until the appointment of Dr. Mark Browne in March 2021. Faustina Graham was appointed Chief Inspector of the ETI in September 2020. The ETI was represented at meetings of the DE Board by various Assistant Chief Inspectors until then.

Due to the COVID-19 pandemic the meeting of the DE Board in April 2020 was postponed. From the May meeting the Board has either met with a mix of in-person/virtual attendance or virtual attendance only. The DE Board operated on a reduced membership capacity for its meeting in May, July and August – the Departmental Strategic HR Business Partner did not attend these meetings as the Board Chairperson wished to focus the meetings on the challenges of the COVID-19 pandemic and governance issues only.

The Departmental Board's role is set out in the Department's Corporate Governance Framework.

It includes the following elements.

- Taking the lead in communicating a system-wide strategy and vision.

- Leading on the implementation of that strategy and vision through:

    - setting the Department's standards and values;
    - ensuring delivery of the Department's Business Plan objectives;
    - the development of policy, under the direction of the Minister, and the directing of change; and
    - the allocation and management of resources.

- Monitoring the implementation of that strategy by:

    - tracking delivery progress against targets and expenditure;
    - holding the Department and its delivery partners to account for this progress;
    - safeguarding against and managing risk; and
    - maintaining internal controls.

- Managing, monitoring and improving the performance of the Department, leading organisational change where necessary.

- Ensuring that there are robust governance arrangements within each of the Department's NDPBs.

During 2020-21, there were six categories of routine Board business. These again reflected the areas set out in the Corporate Governance Framework, with the addition of EU Exit:

- financial matters and allocations;
- business planning;
- policy and strategy;
- management including human resources;
- risk management and internal controls; and
- impact of the UK leaving the EU on education in NI.

Conflicts of Interest

Every six months members of the DE Board are asked to sign a Declaration of Interest. Declarations are reviewed by the Accounting Officer and placed on the DE website at https://www.education-ni.gov.uk/register-interests. An explanation of how any actual potential conflicts will be managed is included.
Annually, all DE staff are asked to read the Conflicts of Interest guidance; disclose any actual, perceived or potential conflicts of interest in line with the Guidance,

and record such interests on the Department's register of interests. Staff are reminded that the register of interests is a 'live' document, and as such, changes should be notified as and when they occur.

A signed Declaration of Interest has also been provided by the Special Adviser. As of March 2021, Peter Martin has declared that he is on a career break from Belfast Metropolitan College; is a former DUP Councillor for Ards & North Down Borough Council; has three children who attend a local Primary School, and is a steering committee member of the Polish Heritage Flight. Where appropriate, action has been taken/arrangements have been put in place, in respect of individual interests, to avoid any conflict.

In compliance with Business Appointment rules, the NICS (and by extension DE), is transparent in the advice provided to individual applications for senior staff, including special advisers through the NICS HR Policy. Advice regarding specific business appointments is available in the HR Handbook (6.01 Standards of Conduct); all former senior staff who have left the NICS are required to complete a declaration, which is held by HR Connect on the Department's behalf.

Board sub-committee

During 2020-21 the Departmental Board was supported by the ARAC.

ARAC

The ARAC is an independent advisory committee with no executive functions. Its role is to support me in my role as Accounting Officer and to support the Departmental Board in discharging its respective responsibilities for issues of risk, control and governance and associated assurance with the support of a professionally qualified Internal Audit service.

The DE ARAC normally comprises four members. Two members are NEBMs, one of whom serves as the DE ARAC Chair. During 2020-21, Joan McEwan served as a NEBM and ARAC Chair. However, the second NEBM post has been vacant since January 2020. A recruitment competition to fill the vacancy was paused early in 2020-21 due to the COVID-19 situation, however the competition has recommenced and it is anticipated the vacancy will be filled during 2021-22. The remaining two members are serving Senior Civil Servants (SCS). During 2020-21, Gavin Patrick (Director of Finance, Department for Communities and former DE Deputy Finance Director (2014 to 2019)) and Judith Andrews (Director of Revenue & Benefits, Department of Finance) supported the DE ARAC as independent members.

During 2020-21, ARAC meetings were also attended by a number of DE staff, including the Permanent Secretary; the Deputy Secretary with responsibility for Resources, Reform and Infrastructure; the Finance Director; the Director of Corporate Services & Governance; the Head of Internal Audit; and representatives from the Department's external auditors, the NIAO.
Throughout the year the Committee considered the findings from internal and external audit activity, including updates on whistleblowing and fraud cases, along

with the outcomes of key governance processes such as risk management, Governance and Accountability Review (GAR) meetings and the biannual NDPB governance statements. In addition, the Committee invited various risk owners (DE Directors) to attend and provide assurance on their areas of responsibility.

Attendance 2020-21

Name	Meetings Attended	Out of a possible
Joan McEwan Chairperson	5	5
Judith Andrews	4	5
Gavin Patrick	5	5

A key role of the ARAC during 2020-21 was to provide independent advice, scrutiny and challenge on:

- the strategic processes for risk, control and governance and preparation for the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- adequacy of the management response to issues identified by audit activity, including external audit's Reports to Those Charged with Governance;
- assurances relating to the management of risk and corporate governance requirements for the organisation; and
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.

3.3.3 DEPARTMENTAL BOARD PERFORMANCE

I consider that the Departmental Board operated effectively during 2020-21, meeting regularly and considering relevant issues at the appropriate time. The Departmental Board fulfilled its role as set out at section 2 above.

2020-21 Review of Board Effectiveness

The annual evaluation of DE Board effectiveness has been delayed because of the COVID-19 pandemic. The Board will consider the position of the effectiveness review on or before its meeting in July 2021.

For 2018-19 an independent evaluation of the effectiveness of the DE Board was undertaken by the Group Internal Audit Service. The recommendations of the 2018-19 independent evaluation of the effectiveness of the DE Board, undertaken by the Group Internal Audit Service, were agreed by the DE Board. While a number of the recommendations are complete, others have been delayed by the working arrangements during the COVID-19 pandemic, including those which require staff engagement (the DE Staff Engagement Forum was reconstituted in June 2021 having been stood down during since the beginning of the pandemic). The aim is to have those outstanding recommendations implemented in the 2021/22 year.

3.3.4 HIGHLIGHTS OF BOARD COMMITTEE REPORTS

This section provides information on key areas progressed by the Departmental Board's ARAC.

The ARAC met five times during the year, reporting at each subsequent Board meeting on the key issues discussed, and the full minutes were circulated to Departmental Board members when finalised.

The Chair met with the Head of Internal Audit in advance of each meeting to discuss current and emerging risks and issues. During ARAC meetings, the Committee received updates on priority Departmental issues, in particular the impact of the developing situation of COVID-19 and the Department's response. The ARAC continued to seek to understand and keep abreast of the main challenges facing the Department's NDPBs as a result of COVID-19 throughout the year and received regular high level updates on significant risks. The ARAC sought and received assurances from the Department in respect of its COVID-19 response through scrutiny of; the Department's emergency and contingency planning arrangements and implementation thereof; and its COVID-19 risk identification and mitigation response.

One NDPB, the GTCNI, was placed in "special measures" in November 2019. It has remained in "special measures" throughout 2020-21 and, as a direct result, the ARAC has received an update on GTCNI at each meeting.

The ARAC Annual Report for 2020-21, which summarises the work of the committee and provides its opinion on the comprehensiveness and reliability of the assurances available to support the Departmental Board and, particularly, to support the DE Accounting Officer in his accountability obligations is being prepared. The report will be timed to support finalisation of the DE Annual Report and Accounts, which are due to be submitted to the ARAC in October 2021.

The ARAC was unable to meet separately with the NIAO during 2020-21 as focus was placed on the response to COVID-19; however, representatives from the NIAO attended each ARAC meeting.

The independent ARAC members' annual self-assessment for 2021-22 is complete and concluded that the ARAC operated effectively during the year. The report has also identified key areas of focus for the ARAC during 2021-22.

3.3.5 CORPORATE GOVERNANCE

As noted above, the Department has in place a Corporate Governance Framework which aligns with the *Corporate Governance in Central Government Departments: Code of Practice NI 2013*.

Subsidiary Governance Statements were prepared and signed by all Directors and have been used to prepare the DE Governance Statement.

3.3.6 QUALITY OF THE DATA USED BY THE DEPARTMENTAL BOARD

The Departmental Board relies on four main sources of data to inform its deliberations.

These are:

- statistical information (for example, data related to enrolments, attainment, attendance, workforce);
- financial information (including monitoring reports on capital and resource expenditure);
- HR information, mainly data on attendance management; and
- inspection evidence, mainly data used to compile the Chief Inspector's report and the annual report to the Departmental Board.

All statistics produced by the Department are designated as 'Official Statistics' and some are designated as 'National Statistics'. As such, they are produced in line with the eight principles and three supporting protocols set out in the UK Statistics Authority's *Code of Practice for Official Statistics*. Accordingly, the Departmental Board considers that it can take assurance regarding the quality of the statistical data it uses to monitor performance and inform decision-making.

The finance data presented to the Departmental Board are prepared from internal and external finance systems, which are supported by internal control frameworks. These are subject to both internal and external audit scrutiny across the education sector.

Information on attendance management is sourced from official reports provided by NISRA.

The inspection data presented to the Departmental Board are prepared from the ETI's Management and Recording System (MARS). A MARS record is completed for each inspection and is subject to internal scrutiny and annual audit. The ETI is undertaking a significant digital transformation programme and will replace the MARS system with a more dynamic and intuitive recording and reporting system (InsPIRE), which should be operational in the 2021-22 business year.

3.3.7 MINISTERIAL DIRECTIONS

Arrangements exist to respond to a situation where an Accounting Officer believes that he/she is being asked by a Minister to take a course of action that could potentially result in irregular expenditure, impropriety, or poor value for money. In such circumstances, the Accounting Officer may seek a formal Ministerial Direction to proceed. There were two formal Ministerial directions issued during 2020-21:

- A Direction to the EA to pay direct payments to parents of children in special schools in lieu of free school meals while special schools were open but (pre-vaccine) parents were anxious to send their children to school due to their vulnerabilities.

- A Direction to the Accounting Officer of the Department to take forward a pilot of free period products in schools with effect from the 2021-22 academic year due to a lack of available data upon which to establish levels of need and forecast demand. The NI Executive was supportive of the social benefits and is cognisant of calls from citizens to bring Northern Ireland in line with the rest of the United Kingdom where schemes are already in place to provide free period products to learners.

The Minister issued a Ministerial Direction in July 2021 to allow the Strule programme to proceed to the next stage.

3.3.8 RISK ASSESSMENT

The Departmental Board has responsibility for ensuring that an effective risk management process is in place and is regularly reviewed. In discharging this responsibility, it is supported by the ARAC and the Department's Internal Audit Team. The Chair of ARAC is an NEBM on the Departmental Board and is privy to discussions in relation to Departmental risk at Departmental Board meetings. This arrangement, in conjunction with written and oral updates provided at each meeting, ensures that the ARAC is kept fully informed of the Department's risk profile to enable it to undertake its responsibilities effectively.

The DE RMF sets out the Department's approach to risk and the mechanisms through which potential risks to the achievement of the Departmental objectives are identified and evaluated. The RMF was updated in May 2020 and April 2021 to reflect organisational changes and other routine amendments, such as those relating to the management of information risk.

The RMF requires that any Directorate residual risk that is assessed as “Orange” or “Red” must be reported to the Departmental Board, with the Minister also being informed of any “Red” risks. Contingency plans should also be developed and tested, where required.

Risk Management

The Departmental Board agrees the risks to be included in the Department’s CRR and agrees ownership of each risk. The risk management process is integrated with normal management processes and informs the annual business planning cycle in order to link risk management and internal control with the Department’s ability to fulfil its business objectives. Risk is managed in the Department by way of an on-line Risk Management Application, which contains all Departmental Risk Management guidance, and which hosts all risk registers at Corporate, Directorate, Programme/Project and Team levels.

During 2020-21, the Departmental Board identified 14 corporate risks to the Department’s ability to deliver progress in key priority areas. The areas of risk related to the impact of COVID-19, educational planning, delivery and attainment, child protection and safeguarding, governance, finances (both resource and capital), business continuity, information management (IM) and oversight of ALBs. The Departmental Board reviewed its corporate risks regularly throughout the year, identifying changes that needed to be made to ensure effective categorisation and management of risk. The Departmental Board particularly ensured that risks were reviewed in the context of progress in delivering business plan commitments within the challenging environment of COVID-19 disruption across the Department and the entire education system.

Two existing risks were removed from the CRR during 2020-21:

- *The continuing Industrial Action by Teaching Trade Unions impacts adversely on the quality of education in schools (removed July 2020).*

As the industrial action concluded, this risk was no longer applicable. The focus shifted to the adverse impact on the quality of education in schools from the Department’s COVID-19 response, including the suspension of business as usual.

- *Failure to implement an effective Transformation Programme and Independent Review of Education (Removed July 2020).*

Work on both the Transformation Programme and Independent Review of Education had been suspended due to the change in pressures caused by the COVID-19 pandemic. Work to take forward the Independent Review was subsequently recommenced, but no corporate-level risk was identified. In March 2021 the Minister decided to formally close the Programme; this was in light of financial pressures, the impact of COVID-19 on Departmental priorities and the linkages with the forthcoming Independent Review. A number of Transformation Projects may continue, but will be managed outside of the current Programme structure and will be dependent on the availability of funding and subject to

Ministerial agreement. Existing projects will be delivered to a point where the Minister can make a determination on key necessary actions and next steps.

Additionally, each directorate/business area was required by the Departmental Board to have in place appropriate arrangements for managing risk at a lower level.

The Department is dependent on its ALBs for the delivery of policies and services. The Department needs to be assured that risk is being managed effectively by all of its ALBs, and they must in turn provide assurance to DE on risk management, governance and internal control. As ALBs are constrained in their actions by Departmental and broader government policy, there must be a joint understanding of the level of exposure to risks and the way in which risks are assessed and managed across the Department and its ALBs and, in particular, all risks should align.

With this in mind, all ALB and DE Directorate risk registers were examined during 2020-21 and reports were provided on the findings in relation to:

a) the alignment of risks to those in the Department's CRR; and

b) the standard of risk registers and their adherence to the principles of risk management contained in the Department's RMF.

Reports were provided to the Departmental Board and ARAC. Child protection and safeguarding remain a significant risk for both DE and the EA. Incidents in relation to transport arrangements and the safeguarding of pupils on buses continue to occur. Officials are working with the EA on options to mitigate the risk of recurrence.

As mentioned earlier, in order to improve the standard of risk management across the Department, an on-line Risk Management application was launched in October 2018. The application was further upgraded during 2020-21, particularly to introduce an e-mail reminder function to prompt regular (quarterly) risk reviews.

Significant issues arising during 2020-21

During 2020-21 the Department managed a number of significant issues in relation to the following.

- COVID-19 including provision of remote learning and Alternative Awarding Arrangements for Schools in 2020 and 2021.
- Oversight of "special measures" arrangements in GTCNI.
- Safeguarding and Child Protection.
- EA Audit of Practice on SEN.
- Placements for Children with Statements of SEN.
- EA 2020-21 Financial Position.

- EA IT Projects – EA One (Finance, HR & Payroll) Project / ETS (C2k Replacement).
- Implementation of the EA “Providing Pathways” Area Plan and 2019-21 Annual Action Plan.
- DP Activity.
- SSEC Programme.
- Industrial Action by Teacher Unions.
- National Measures of System Performance.
- DE Transformation Programme.
- Fraud Prevention and Whistleblowing.
- 2021-22 Budget Position and Authority.
- Appointments to the Department’s ALBs and school Boards of Governors.
- Delivery of HR Services.
- Staff absence.
- YCNI.
- Irregular Spend.

COVID-19

The Department put in place arrangements to work closely with all of its education partners on a range of complex issues arising from the COVID-19 pandemic, including the EA on service delivery issues and the CCEA on examinations issues. The Department convened a COVID-19 Contingency Planning Group with representation from key stakeholders including ALBs and sectoral bodies, schools, pre-schools and the Early Years sector were regularly updated with appropriate advice as the situation evolved.

The Department developed its own COVID-19 strategy and plan built around the following strategic priorities in support of the Executive’s COVID-19 response:

- to ensure the continuity of learning for children and young people;
- to support vulnerable children and children of key/critical workers; and
- to ensure families do not experience hardship as a result of schools closing

The Executive published a phased five-stage coronavirus recovery plan on 12 May 2020 setting out the approach the Executive planned to take when deciding how to ease coronavirus restrictions. This included a phased return of education.

A formal Education Restart Programme was established to oversee planning to ensure that the education system was able to restart in a safe and effective manner when conditions allowed; that Departmental business priorities reflected the “new normal”; and that there is increased preparedness for future periods of disruption.

All schools were permitted to reopen for the start of the 2020-21 academic year. This was undertaken in the context of the Department publishing guidance outlining proposals for the full reopening of schools at the start of the new school year. The guidance was co-designed by DE, school leaders and key partners.

Engagement with a consultation group comprising Managing Authorities, trade unions and sectoral support bodies as part of an ongoing process has been in place since March 2020. This guidance also took account of the advice of the Chief Medical Officer and Chief Scientific Officer and drew from published information from the Scientific Advisory Group for Emergencies (SAGE).

The DE Education Restart Guidance has been revised on a number of occasions to reflect changing circumstances and remains aligned with the relevant medical and scientific advice.

A second period of large-scale school closures was agreed by the Executive from 4 January 2021. Special Schools remained open for all pupils during this period. Vulnerable children and children of key workers continued to be supported within their school setting during the period of closure. Building upon the work undertaken during the first period of school closure, the Department continued to provide support and guidance based around the same key priorities.

The Executive's 'Pathway Out of Restrictions' document was published on 2 March 2021 and the reopening of schools is within the framework of this agreed approach to relaxing restrictions. As the Executive agreed to the phased return of pupils to school from 8 March, the Department has continued to react to the changing needs of the education sector, based around the continued close engagement with practitioners, DoH, the PHA , the EA, Trade Unions and other key stakeholders. The Department's guidance to schools continues to be updated to reflect the evolving implications of the pandemic.

In pursuit of its strategic priorities, in the early stages of the pandemic, the Department developed a COVID-19 Response Plan around the following nine key themes:

(i) Key workers

All schools and pre-schools closed to the majority of learners at the end of the school day on 20 March 2020 with a variable number of settings remaining open for the children of key workers and vulnerable children. As some parents were having difficulty in obtaining a place for their children due to their "home school" being closed, a helpline and placement system was implemented and supported the placement of significant numbers of children.

"C-19 Clustering" arrangements for schools and pre-schools were implemented to encourage all settings to work collaboratively to accommodate the children of key workers and vulnerable children in their local area. The Department also launched a scheme for volunteers from across the wider education sector to register and offer their assistance.

(ii) Remote Learning

Working collaboratively with the EA, CCEA, ETI, the CCMS, and CnaG to support the Irish-medium sector; the Department has been focussed on ensuring that appropriate action is being taken to secure, as far as possible, learning, progression and wellbeing of our children and young people. A formal programme has been established to ensure delivery and designated link officers have been identified who are the first point of contact for schools. The officers are working with schools to ensure that individual issues are resolved promptly and identify what more can be done to support provision for continuity of learning. Support continues to be required to address concerns about loss of language acquisition for Irish-medium pupils.

Owing to the COVID-19 pandemic, ahead of school closures on Friday 20 March 2020, and to support the vital efforts of schools during these challenging times, all inspections were paused on 18 March 2020 until further notice. During this period, ETI worked with schools and the wider education system to provide advice and support. In the schools sector, ETI inspectors were deployed to support the education system as designated COVID-19 link officers (COLOs) in partnership with CCMS, CSSC and EA advisers. In pre-school and youth, ETI District Inspectors continued to provide advice and guidance to settings in their locality. When schools closed to pupils in March, to complement information and guidance to parents from individual schools and pre-schools, the ETI produced and published support materials designed to support children, non-statutory pre-school providers, nursery schools and units, primary and special schools and parents with remote learning.

During the period March to June 2020, schools made provision for remote learning by providing pupils with a range of hard copy and online learning materials. The Department published Circulars to provide system level guidance for schools - Guidance for Schools on Supporting Remote Learning and Guidance for Schools on Curriculum Planning for 2020-21. The Department also established a Continuity of Learning Project to oversee the production and dissemination of a range of high quality support and guidance for teachers, parents and learners.

In August 2020, ETI continued with District Inspector activity across pre-school and resumed District Inspector activity across all schools and the COLO role continued to co-exist for subsets of schools within localities. Throughout this period, building on the evidence gained through District Inspector activity, the ETI published guidance to support remote learning across pre-school and primary schools, and thematic reports on remote learning.

During the second lockdown between January and March 2021, District Inspectors focused on how schools were responding to remote learning and, importantly, how they were monitoring the quality and delivery of remote learning. As part of this work, a survey was issued to all [and completed by most] schools in February which showed that schools were better prepared, more confident and continued to build on the use of digital technologies during this period of remote learning. It also showed that teachers continued to extend the range of approaches, supported by professional development.

With the return to remote learning for all pupils in January 2021, the Department published an Educational Continuity Direction, which made it a legal requirement for pre-school providers and schools to provide remote learning for pupils. This was accompanied by updated system level guidance on Remote Learning. Schools are legally required to have due regard to this guidance. In February, the Department published its 'At a Glance Guide' on effective practice in remote learning.

In March 2021, the ETI published phase reports in lieu of a biennial Chief Inspector's Report for 2018-20. The phase reports summarised inspection findings between September 2018 and the start of the pandemic in March 2020, lessons learned during the first lockdown and COVID-19 recovery period between August and December 2020, and considerations going forward.

This project is coordinated by the EA, working in collaboration with a wide range of other education support organisations and drawing on input from school leaders and teachers. Working collaboratively the EA, CCMS, CSSC and ETI assigned a COLO from one of these organisations to each educational setting. The COLOs have provided on the ground advice and support to schools.

Curriculum Guidance on the return to school was provided in late February in advance of pupils in Years 1 to 3 returning to school. The EA continues to provide resources and teacher professional learning sessions and webinars related to remote learning. COLOs also continue to provide on the ground advice and support to schools.

(iii) Qualifications

The Department worked closely with CCEA and colleagues in the other UK jurisdictions, and consulted with key stakeholders to identify the most appropriate way forward and ensure alignment as far as possible with England and Wales, while taking account of policy differences.

Those due to complete qualifications in summer 2020 were to have received "calculated grades" which are a combination of grades assessed by teachers using their professional judgement and signed off by the Head of Centre before being submitted to CCEA (known as CAGs) , and statistical modelling applied by CCEA to standardise the grades across centres. The results issued across England, Wales and Northern Ireland as normal in August. However, following a Ministerial decision on 17 August, the AS and A-level results (issued on 13 August) were re-calculated to reflect the higher of either the original calculated grade (standardised using statistical modelling) or the centre assessed grade, and the GCSE results which issued on time on 20 August were awarded on the basis of CAG only. This aligned with changes announced in England and Wales on the same day. CCEA consulted on and subsequently put in place an appeals mechanism, and updated the process to take account of the changes to the awarding process following the Ministerial decision of 17 August. The Department also worked closely with the DfE on the arrangements for awarding vocational qualifications.

During the period June to December 2020, significant work was taken forward to adapt qualifications in the context of public examinations resuming in the 2020-21 academic year. The Minister had agreed detailed options for the omission of assessment of units at GCSE, AS and A-level. Guidance was also developed to facilitate the safe conduct of exams

With the move to remote learning in January 2021 and the cancellation of public examinations in 2021 across the rest of the UK, the Minister announced the cancellation of all CCEA public examinations in 2021. The Department has worked at pace with CCEA to develop Alternative Awarding Arrangements for all CCEA qualifications in 2021. The Minister announced the arrangements for a five step alternative awarding process for qualifications in a statement to the Assembly on 2 February 2021, and guidance and factsheets for schools, parents and candidates were published by DE.

In place of public examinations, schools will provide “Centre Determined Grades” and samples of candidates' work from every school and college in Northern Ireland will be reviewed by CCEA.

The Minister instructed CCEA, under Article 101 of the 1986 Education and Libraries (NI) Order, to set out the decisions on Alternative Awarding Arrangements for 2021. This provided the policy and legal context in which CCEA will operate.

CCEA published detailed “Process for Heads of Centre” document on 5 March 2021, subsequently updated and reissued on 15 March 2021. The Department has also provided two qualification procedure days to support schools in taking forward the administrative processes associated with the Alternative Awarding Arrangements. CCEA is finalising work to develop an Appeals Process for 2021 Awarding.

Work has also been commissioned on adaptations to qualifications for the 2021-22 academic year.

(iv) Post-Primary Transfer Tests

The operation of post-primary transfer tests during the COVID-19 pandemic became an issue of significant public concern during 2020-21. This was ultimately resolved by the cancellation of the tests in January by both test providers. The Department is in communication with the test providers in regard to arrangements for 2021-22.

(v) Vulnerable children

As in the rest of the UK, support for vulnerable children and their parents/carers was prioritised. Vulnerable children have been facilitated to continue to attend school or pre-school where it is in their best interests and safe and appropriate to do so. Support has been available for children and their parents through a range of EA services including, for example, the Child Protection Support Service for Schools, the Children Looked-After Education Service, the Intercultural Education Service, EOTAS services, the Education Welfare Service, Schools’ Counselling Service and the Youth Service.

Youth settings also closed from 20 March 2020, the exception being for delivery of targeted support to young people at risk. A phased restart of generic youth work commenced from 1 October, but was suspended at the end of October during the two-week circuit breaker and from 26 December as part of a second lockdown. Alternative youth work delivery mechanisms were put in place to support vulnerable young people and many local voluntary youth settings have kept in contact with their members through on line and other creative solutions to deliver youth work. The Department published temporary continuity directions covering the period February-March requiring youth setting to deliver services online other than those agreed by the EA.

The EA Youth Service delivered the 'Eat Well, Live Well' programme as part of the DfC led response to ensure over 5,000 vulnerable and at risk young people with an identified food need received weekly food boxes.

In targeted Early Years provision funded by DE, the 38 Sure Start projects have continued to provide vital support by on-line and other means to children (aged 0-3) in the most disadvantaged areas across Northern Ireland, with particular focus on supporting vulnerable children. A similar approach has been applied within the Pathway Fund and the Toybox project.

Officials have engaged regularly with colleagues in the DoH to ensure there is a continuum of support for vulnerable children - including those on (or on the cusp of) the Child Protection Register - as particular pressures could materialise should they be at home for significant periods.

The Department issued the Contingency Framework for Vulnerable Children and Young People on 31 December 2020, which set out expectations on how vulnerable children should be supported when schools and other education settings are directly impacted by restrictions put in place as part of the COVID-19 response. The Framework was developed between Health and Education partners with input from key stakeholders.

Under the Coronavirus Act 2020, the Department may, by notice, make provision dis-applying or modifying, for a specified period, certain provisions listed in the Act. Notices were made allowing for a temporary relaxation of duties contained in Part II of the Education (NI) Order 1996 and the Education (SEN) Regulations (Northern Ireland) 2005. The Notices modified the duties on the EA; schools; principals and boards of governors of schools; HSC authorities; and parents, to a new duty to make their best endeavours to meet their original duty (where the inability to comply with the original duty was attributable to the outbreak of coronavirus in Northern Ireland). A cancellation notice came into effect from 24 August 2020; no further notices have issued.

(vi) FSM

A new direct payments scheme was introduced on 23 March for families whose children would normally receive a free school meal when they were attending school. Families received £2.70 per child per day for each day of term the schools are closed, paid on a fortnightly basis. The majority of payments were made into the families' bank accounts, with alternative arrangements made for those families that do not have a bank account. The scheme ran for a week at Halloween (19 to 23 October 2020) and again since 4 January 2021 for those pupils required to learn remotely from home. The direct payment scheme ended on Friday 9 April 2021 as most pupils returned to school on Monday 12 April 2021.

Under the Coronavirus Act 2020, the Department made a Notice allowing for a temporary amendment of the legislation governing the provision of free school meals (Article 58 of the Education and Libraries (NI) Order 1986). This allowed the Department to put the direct payments scheme in place.

The Executive agreed to develop a scheme to enable financial assistance of £2.70 per day per child to be made available to the families of all children entitled to FSM at 30 June 2020, for the summer holiday period of July and August 2020 (9 weeks). The scheme also ran over the one week Halloween holiday (26 to 30 October 2020).

Following its meeting on 19 November 2020, the Executive decided that financial assistance would be provided by way of a school holiday food grant from Christmas 2020 to Easter 2022 (approximately 20 weeks) for the families of school children and Further Education (FE) students entitled to free school meals when at school or college.

(vii) Childcare

DE has established a number of emergency financial schemes to support the childcare sector throughout the pandemic and has engaged closely with the childcare sector through the Childcare Reference Group. These funding schemes were designed to assist with the sustainability of childcare providers during periods of reduced demand and temporary closures due to COVID-19.

From April to the end of December 2020, approximately £20.5m has been provided by DE to help the childcare sector through this very difficult period. A further £11.8m was announced on Tuesday 9 March for the period January to March 2021. At this stage we are limited to making payments and allocating budgets to the end of the financial year, however, DE officials are in close and regular contact with childcare sector representatives to determine what support might be required beyond the end of March 2021.

(viii) Pay issues

An Income Support Scheme for substitute teachers was established to support those teachers who could no longer find employment providing day-to-day cover as a result of the closure of schools. Efforts to secure access to the Coronavirus Job Retention Scheme for substitute teachers were unsuccessful. The Income Support Scheme ensured that eligible substitute teachers who worked between 1 January 2020 and 31 March 2020 would have access to an income for the period April to June 2020 to subsidise their income to a level of at least 80% of the average earned in the period from January to March 2020.

(ix) Emergency Response

The Department's Incident Management Team met on a daily basis to allow key officials involved in the Department's emergency response to COVID-19 to consider and review ongoing and emerging issues, and ensure information flows to the Minister. As part of the NICS C3 (Command, Control and Co-ordination) response, the DEDOC was stood up to manage the Department's risk and contingency planning in relation to COVID-19 and provide information on the impact of COVID-19 on the Education Sector to the Northern Ireland (NI) Hub.

The NI Hub was an enhanced operations room of the Civil Contingencies Group (NI) (CCG (NI)), which co-ordinates and monitors COVID-19 related issues in NI, escalating issues if necessary to the UK Government Cabinet Office Briefing Rooms (COBR) for further decisions and actions. The DE DOC collates and disseminates information; co-ordinates Departmental activities and planning; and filters or escalates decisions in relation to the impact of COVID-19 on the education sector. Where issues cannot be managed by the Department in isolation they are escalated to the NI Hub. The DE DOC made situation reports to the NI Hub every day (or as required) over the period of COVID-19 response.

In addition, the Department deployed three Liaison Officers (LOs) to the NI Hub to align with shift requirements. The LOs are responsible for facilitating shared situational awareness, providing advice and planning support, and representing the views and issues of DE.

Under the oversight of the Department, the EA led on a phased restart of generic youth services. Detailed guidance, including risk assessment templates, for youth work settings was published on Youth Restart section of the EA Youth Online website

Oversight of "Special Measures" Arrangements in GTCNI

Internal Audit has again advised that an overall unacceptable opinion is appropriate for GTCNI for 2020-21. The key factors which have informed this opinion are:

- Investigation work carried out within GTCNI has identified important control weaknesses in relation to corporate governance which have the potential to impact on the overall achievement of corporate objectives.

- IM has been deemed unacceptable for the last two years and a number of specific concerns regarding handling of confidential information have arisen in the closing half of the year.

- GTCNI do not have an adequate business continuity process in place, which means that, in the event of a disaster, GTCNI business operations may be vulnerable.

- Failure to fully deliver on all statutory functions. Regulation is one of GTCNI's core functions and it is now apparent that this cannot become fully operational without amending primary legislation.

The GTCNI Council will be taking actions to address most of these issues as a matter of priority in the 2021-22 year. An IM action plan is being developed which, subject to Council approval, will see specialist support recruited for a period of up to two years, to systematically address all of the weaknesses identified in GTCNI's 2019-20 IM Review.

GTCNI's CRR has been updated throughout the year to accurately reflect the number and scale of current challenges; training for Council members on Risk Management and understanding the Risk Register is being planned.

Ongoing HR and staffing issues, including staff grievances and Industrial Tribunal cases, continue to impact the Chief Executive's ability to deliver key business objectives. The Council is also struggling to monitor progress and provide timely direction to support the discharge of GTCNI's activities. Implementation of a new staffing structure remains pending, awaiting Departmental receipt and approval of the necessary business case. Implementation of the new structure will allow some key vacancies to be filled, and increase the capacity of the senior management team to provide effective support to the Chief Executive.

In direct response to the many current challenges it continues to face, GTCNI has remained in "special measures" throughout 2020-21. Monthly Oversight Meetings involving the DE Permanent Secretary, GTCNI's Registrar and Chair of Council have continued; following correspondence received from GTCNI's Chair, in late 2020 the Minister decided that an independent Board Effectiveness Review of the GTCNI Council and its Committees should be commissioned.

In April 2021, following the conclusion of the open tender process, Baker Tilly Mooney Moore (BTMM) were appointed to undertake this work. BTMM have already made significant progress in this task and are scheduled to provide their report to the Department by the end of July 2021.

Over recent months 10 members have resigned from or withdrawn from Council citing the dysfunctional nature and conduct of Council meetings as the main reason. This has been drawn to the attention of the Education Committee who have had a number of sessions with GTCNI and the Department on the issue; another session is planned when the Review has concluded.

Safeguarding and Child Protection

The Department continued to engage throughout the year with the EA and other managing authorities as required on child safeguarding and protection issues, including follow-up to ETI inspection findings and internal audit reports. Further incidents have occurred in relation to the safeguarding of pupils on buses, which are currently under investigation. Officials continue to work with the EA on options to mitigate the risk of recurrence. The EA has recently confirmed (10 March 2021) that there is an appropriate focus on ensuring that the required Accessing checks are carried out for drivers transporting pupils.

On 27 March 2021, the Minister wrote to schools to indicate that Safeguarding and Child Protection Regulations as outlined in DE Circular 2017/04 would remain applicable to education services during the pandemic and the EA issued guidance for education staff at his request. To ensure teachers, parents and carers had the knowledge they needed to keep children safe online in a climate of increased remote working. The iNEQE Safeguarding Group offered the Department use of their Safer Schools App on a trial basis during the COVID-19 pandemic. The App focuses on safeguarding particularly in the online world and provides information and messaging on a full range of safeguarding and child protection issues. A Direct Award Contract has been awarded to iNEQE to provide this service for a further year from 23 February 2021 pending a full procurement exercise.

EA Audit of Practice on SEN

Following whistleblowing allegations of malpractice, the EA carried out an independent audit of practice of SEN in relation to the statutory assessment and statementing processes. The EA Improvement Plan consists of seven work-streams and each one is nearing completion. The few actions that remain are more focused on longer-term outcomes such as new/improved digital solutions, accommodation needs analysis, and putting in place resilient staffing structures. Work continues to ensure sustainable compliance with statutory timeframes and the monitoring of cases waiting over 26 weeks for the statutory assessment and statementing process. As of the end of August 2021, there are now 91 cases open more than 26 weeks, although 33 of these have an exception applied; the remaining 58 cases are outside the statutory timeframe.

As the project approaches the 12-month mark, it is a timely point for the EA to review its remaining implementation plan. This includes drawing out the core actions and outputs between now and project closure at the end of this academic year, and identifying which aspects will be more effectively delivered under the wider EA SEND SDP.

Placements for Children with Statements of SEN

Each year children are identified as requiring either a new or change of placement as a result of an Annual Review of their statements, or as they are newly undergoing the Statutory Assessment Process to determine appropriate provision and placement.

For September 2020 the EA identified a pressure within the capacity of existing schools to place children. The EA has provided early notification of similar pressures for placements for September 2021. The Department is working in partnership with the EA to identify suitable placements.

EA 2020-21 Financial Position

The EA's financial position poses a significant financial risk to the overall Department's budget due to the quantum of the EA's budget. Therefore, the Department robustly engages with the EA throughout the year in assessing its financial position.

This year has been unprecedented, with the COVID-19 pandemic, resulting in school closures and restrictions being in place throughout the year, which impacted significantly on the EA 2020-21 financial position.

The Department was successful in securing substantial COVID-19 funding from the Executive in-year, which included funding allocated to schools to mitigate the additional costs associated with COVID-19.

The impact of school closures and additional funding resulted in an improved in-year school financial position, with increasing surpluses and decreasing deficits. The Department banked £16.2m of schools' increasing surpluses through the January Monitoring round.

The improved schools' financial position, along with significant in-year funding has also had a positive impact on the EA's Block Grant, which shows no under/over spend at Final al Outturn. In total, across schools and the EA's non-delegated budgets, the EA is reporting an underspend of £11m at Final Outturn, which accounts for 0.5% of its total Resource DEL budget.

In line with Executive's commitment to address resourcing pressures in schools the ASB was increased by £53.3m from 2019-20. However, this combination of factors masks the continuing significant financial pressures facing the education sector. That is, between 2010-11 and 2019-20, the education budget has reduced by £229m in real terms, and while the budget outcomes in 2020-21 and 2021-22 have provided additional funding for education, a gap still remains. At the same time as a real terms reduction in the education budget in the past decade, the school population has increased, as has the number of children presenting with SEN. The education sector therefore faces extensive unavoidable cost pressures and rising service demands associated with delivering statutory and policy obligations. The cumulative effect of this has been a significant deterioration in the financial health of schools.

COVID-19 has also impacted heavily on the progression of recommendations from the EA Surplus and Deficit Working Group and the NIAO's Financial Health of Schools report in this financial year.

Looking ahead to the 2021-22 financial year, the Department will continue to challenge the EA in relation to the robustness of its forecast in-year pressures, particularly in relation to schools' spend. In addition, the Department will work with the EA to ensure that the EA develops processes for routine monitoring and reporting of schools spend.

In progressing the EA Transformation and Financial Recovery Programme, the EA has developed a 4-phased approach covering: readiness, grip and control, tactical projects and major transformation. A programme management framework is in place and the priorities of both the EA Transformation Team and the Continuous Improvement Team have been re-aligned to support this.

EA IT Projects – EA One (HR & Payroll) Project / ETS (C2k Replacement)

As the sponsor Department, DE has a particular interest in these EA programmes and projects given the scale, strategic importance and the estimated costs involved.

(i) EA One Project

To modernise and integrate its legacy Finance and HR systems, the EA undertook a major IT project that covers procurement, finance, HR and payroll. Phase 1 of the Project went live in December 2016 with the procurement and finance elements. The online recruitment module, went live during 2019-20. However, the remaining HR and Payroll elements of the EA One Project have been subject to delay due to solution complexity issues and resource constraints that were not fully understood when the Project commenced.

The Project experienced challenges throughout the first half of 2020-21 due to the impact of COVID-19 and ongoing issues with data and functionality complexity. However, these issues were substantially rectified to enable the Project to exit User Acceptance Testing in December 2020.

A decision was taken in January 2021 to delay the go-live rollout of the project from April 2021 until October 2021, due to the ongoing impact of COVID-19 on schools.

In September 2021, the EA One undertook a CPD NI Gateway 4 Review and the recommendations are being taken forward by the project team.

The Department meets with the EA One Project every six weeks to discuss the project's progress including the key risks to delivery. The Department is also represented on the EA One Project Board and provides a challenge function through the DE ICT Programme Board, the DE Board and the DE ARAC.

(ii) ETS (C2k Replacement)

The EA is currently taking forward the procurement of a replacement ICT services to provide critical systems infrastructure and applications to deliver modernised, integrated ICT services to schools. The ETS Outline Business Case (OBC) was approved by the DoF on 1 December 2020.

A business case to extend the current C2k contract to provide continuity of IT services to schools was approved by DoF on 5 February 2021; it provides cover for an extension of up to 18 months to support transitional arrangements during the procurement and implementation of the new ETS.

Significant risks remain regarding the successful delivery of the ETS. Resourcing in particular is an ongoing issue for the Programme, although progress has been reported since the approval of the OBC in December. The procurement timetable for the replacement service is particularly challenging.

A Programme Assessment Review (PAR) of the ETS Programme took place in April 2021, it provided an independent assessment of the delivery confidence of the ETS Programme and the report put forward a number of recommendations

Since the PAR report and the re-setting of the Programme, the EA has made significant progress in terms of actions taken, through the establishment of five work-streams, the identification of the seven priority projects and its overall approach to programme governance and delivery.

The Department will continue to challenge the EA to ensure delivery of this key Programme through regular six weekly meetings between EA Programme staff and DE officials and at the DE ICT Programme Board Meetings. The DE Board and the DE ARAC are provided with regular updates.

Implementation of the EA "Providing Pathways" Area Plan and 2019-21 Annual Action Plan

At the end of March 2020 all area planning activity, with the exception of work to progress the reshaping of special education provision in mainstream and special school settings, was stood down and area planning team resource deployed to the Department's COVID-19 response. This focused initially on closure of schools and their reopening to facilitate children of key workers, the volunteering scheme and latterly on reopening arrangements for the 2020-21 education year. The Area Planning team also led the Department's defence on four legal challenges to its COVID-19 response arrangements in this period.

Area Planning was formally stood up again on 21 October 2020, with the Minister chairing a meeting of the APSG at which he:

- endorsed a 3-point plan to explore and introduce a range of process improvements aimed at delivering a more agile response to changes to education provision under area planning arrangements;

- defined his priorities as dealing with the challenges posed by small, unsustainable schools, small sixth forms and teaching of children in composite classes of more than two year groups;

- approved a final extension for delivery of the EA's first Strategic Area Plan – Providing Pathways – to 31 August 2022; and

- determined that the 2nd Strategic Area Plan will cover the 5-year period 1 September 2022 to 31 August 2027.

As a condition to these decisions, the Minister also commissioned a more focused approach to the monitoring of delivery of work-streams by the planning authorities and sectoral body representatives.

Development Proposal (DP) Activity

The standing down of area planning activity saw a fall in the number of published DPs in the 2020-21 year. Ten DPs were published, a decrease of 29 from the previous year. Where appropriate, on resumption of area planning in October 2020 the statutory objection periods for representation to the Department on published proposals also had be extended. Decisions were taken on 20 proposals in the 2020-21 year. Of the decisions taken, 18 were approved (of which 14 were approved with modification, typically as a consequence of the impacts of the hiatus period during which area planning activity was stood down) and two not approved.

Decisions covered a range of proposed changes to provision, comprising:

- closures (7);
- increases/decreases to approved admissions and enrolment numbers (10);
- increase to numbers in an Irish Medium unit (1);
- establishment of a nursery unit (1); and
- transformation of the schools type to controlled integrated status (1).

The area planning process is a continuum of activity and the assessment of published proposals is often conducted over a period of months meaning that there will not be correlation between the number of DPs published in a year and those on which decisions are taken.

While the diversion of area planning resources to the Department's COVID-19 response saw disruption to the progression of work-streams, pace of delivery of area planning to that point had been a matter of concern. Work undertaken, in part, through the Department's Transformation Programme and specific work streams within the DSF project had examined, in detail, barriers to effective area planning and informed the Minister's thinking on the options for introduction of new processes as a mechanism for delivering more agile change under area planning. Incomplete work-streams are now monitored and reported through the Planning Steering Group.

SSEC Programme

Throughout the 2020-21 financial year, the COVID-19 pandemic significantly impacted upon Programme progress within the Department, the EA and within schools.

Some DE and EA staff were seconded onto COVID-19 recovery and Education Restart activities throughout the financial year. Progress in the development of the Funding Model, the Education Model Development Plan, and the Ownership, Governance and Management arrangements for the Campus were particularly impacted. The Department continued to work closely with the six principals and their teams to build on the culture of sharing in Omagh, albeit within a challenging environment as schools continued to recover and adapt to ongoing disruption due to the COVID-19 pandemic.

In relation to the construction, the Department formally closed the previous Main Works Contract procurement in March 2021 and is now working towards a fresh procurement competition. HM Treasury approved the arrangements for the release of FSA funding for the Programme through to completion and the Executive also reaffirmed its commitment to the Programme in September 2020. The Minister issued a Ministerial Direction in July 2021 to allow the programme to proceed to the next stage.

Construction completion is planned for 2025.

Industrial Action by Teacher Unions

On 28 April 2020, the Teachers' Negotiating Committee (TNC) formally ratified the Teachers' Pay and Workload Agreement 2017-19, bringing an end to the long running industrial dispute. In addition to provision for pay awards for the 2017-19 period, the Agreement contains a series of measures to address teacher concerns about workload and accountability and to improve the efficiency and effectiveness of the education system through a number of measures to be urgently addressed and the progression of reviews in nine areas.

During the latter part of 2020-21, the Workforce Review Project was established in line with a Ministerial commitment to provide up to £1.2m to resource the delivery of the nine reviews. Meanwhile, new negotiations took place on a Teachers' Pay Agreement for the outstanding 2019-21 academic years and a formal agreement was reached on 2 March 2021, providing the optimum environment to ensure the reviews can be taken forward to completion in the most positive and constructive manner in a period of industrial peace.

A joint project team is now in place working under the direction of an Oversight Group with representation from each TNC member body under an agreed Terms of Reference. Joint working groups were established in May 2021 to progress the first four reviews relating to employment matters, which are now well underway. The approach has been agreed for two further DE-led reviews enabling commencement in the autumn and a way forward for the remaining three will be developed and agreed by December. The project is on track for completion by the end of 2022.

While the industrial action by teacher unions ended (which had disrupted school inspections), the ETI paused inspections on 18 March 2020 until further notice due to COVID-19. Those schools in the follow up inspection process continued to be monitored and assurances provided to the Department.

National Measures of System Performance

The combination of Action Short of Strike and COVID-19 has meant that a key emerging issue is that NI is currently without reliable national measures of system performance at both primary and post-primary level. At primary level, non-participation in Key Stage Assessment has meant that the only reliable measure of system level attainment currently available are international assessment programme trends from the International Mathematics and Science Study (TIMSS) and Progress in International Reading Literacy Study (PIRLS) in which a sample of pupils participate every 4/5 years. At post-primary level, GCSE and A-Level outcomes have traditionally provided year on year measures of system level performance.

The use of Alternative Awarding Arrangements based on teacher professional judgement in 2020 and again in 2021 means that outcomes are not directly comparable with and cannot be measured against previous years. Outcomes from the OECD's Programme for International Student Assessment (PISA) 2018 are available at post-primary level. It is generally accepted worldwide that national level assessments play a critical role in demonstrating the efficacy or otherwise of investment in education and in meeting public demands for educational accountability and improvement.

DE Transformation Programme

It is recognised that, in the longer term, the education sector requires significant transformation if it is to be put on a sustainable financial footing going forward. As part of this, the Department had been progressing a Transformation Programme, established in 2018-19, to review different aspects of the education system and to bring forward proposals on how it can be improved to be more efficient, more effective and deliver better educational outcomes, building on the successes in the education system whilst tackling the challenges. This programme involved a series of projects each at different points of delivery.

The Minister suspended the Transformation Programme in March 2020 due to the COVID-19 pandemic with staff redeployed to other business critical areas within the Department. The current position and key achievements of a number of Projects is outlined below.

- The *Transition of Young People into Careers (14-19) Project* is currently finalising a draft baseline document, which has highlighted a number of key issues. The findings from this document will provide the basis for a discussion on the next steps in the development of a future 14-19 strategy, which will be considered, in due course, by the Minister of Education and the Minister for the Economy.

- A draft report is being prepared setting out the work undertaken by the *Transition of Children into Education Project* and identifying potential areas for action. The Minister has agreed a refresh of the DE Early Years education and learning policy framework ‘Learning to Learn’, which is planned to commence in 2022. The findings from the Transition of Children into Education Project will feed into the refresh of the Early Years policy framework.

- Area Planning remains a key departmental priority. The *DSF Project* aims to support this by accelerating the pace of implementation of the Sustainable

Schools Policy through a more effective and proportionate Area Planning process. This aim is being achieved under DSF as a result of more purposeful Area Planning structures, processes and guidance being developed collaboratively between the Department, the EA, the Council for Catholic Maintained Schools and other education partners.

- The *SEN Learner Journey Project* has translated the views and experiences of stakeholders into 13 recommendations which have been brigaded into five broad themes: Pupil Support Services, Training and Resources, Information and Governance, Communication and Technology, and Disputes and Appeals. The EA has confirmed that, where possible and appropriate, the outputs from the SEN Learner Journey project will be incorporated into their SEND SDP. Progress on implementation will be monitored by the SEND SDP Programme Board which includes Departmental officials and updates will be provided to the SEN Governance Group.

- *Digital Admissions (EA)*: In 2017 EA initiated a project to develop a digital/online admissions application process. In early 2019 the DE Transformation Programme provided funding which allowed improvements to be developed within the primary and pre-school system, and for the discovery aspect of the post-primary system to be undertaken. That discovery process then allowed full development of the post-primary online system to be progressed and it went live for applications in March 2021. Feedback from parents and schools has been extremely positive and all project milestones have been delivered on schedule.

- *Procurement of Minor Works & Maintenance (EA):* This project involved extensive engagement with school leaders, suppliers and wider stakeholders to identify key shortcomings within the existing system and co-design a regionally consistent, modernised Term Service Contract model. The agreed model provides for a single multi-disciplinary operator to deliver all maintenance and minor works within a locality (one operator for primary and one for post-primary). Each operator will then be performance managed centrally against specific indicators to ensure continuing compliance with contractual service quality requirements.

In March 2021 the Minister decided to formally close the Programme, due to wider resource pressures. This is particularly in light of the lack of certainty around the additional funding required and the wider financial pressures on the Departmental Budget in 2021-22. Furthermore, COVID-19 has had a significant impact on the work of the Department, not only in terms of significant staffing resources that have been redirected to COVID-19-related priorities but also in terms of delaying the work of some Projects. It is important to note that although this particular programme and supporting team has been stood down, transformation and improvement efforts continue across the Department in line with the Business Plan with progress kept under regular review by management, ARAC and the Board.

Despite the Programme's closure, a number of Projects have continued, that are being managed outside of the Programme structure. This has been dependent on availability of funding and Ministerial priorities. .

The scope of the Independent Review of Education is very much in the sphere of Transformation and it will specifically consider many aspects of the current Programme (e.g. Early Years, 14-19, school governance, pupil support services, digitisation etc.). The Independent Review will be resource intensive for the Department, its partners and stakeholders and delivery of this Review and the full Transformation Programme would have been unmanageable and potentially lead to contradictory outputs.

Department officials are undertaking work to evaluate the outputs of each of the Projects within the former Transformation Programme, with products considered and used to inform the Independent Review.

Fraud Prevention and Whistleblowing

The Department's fraud and whistleblowing arrangements were reviewed as part of the Internal Audit Plan and it was concluded that they are fully compliant with current best practice.

Fraud monitoring and reporting arrangements have been effectively maintained throughout the year. During 2020-21, the Department continued to work closely with the EA on their investigation of a serious fraud relating to a number of schools' compliance with the Voluntary Exit Scheme criteria. The Department has sought regular updates and assurances on wider issues and continues to review the relevant policy and guidance.

The Department also investigated a significant number of whistleblowing allegations concerning a range of governance, compliance and performance matters within GTCNI. The Department has appropriately reported any areas requiring action to the Chair and Chief Executive Officer (CEO) of GTCNI.

2021-22 Budget Position and Authority

The Finance Minister announced the final 2021-22 budget outcomes for all NI Departments on 1 April 2021. For DE, whilst the Budget 2021-22 outcome provides some additional funding for education, the financial position was already extremely challenging given the scale of pressures facing the sector. This has been further heightened by the additional pressures due to COVID-19 responses, and difficult decisions have therefore had to be taken to ensure that the Department and its ALBs live within budget in 2021-22.

The Assembly passed the Budget Act (Northern Ireland) 2021 in March 2021, which authorised the cash and use of resources for all departments for the 2020-21 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2021 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2021-22 financial year. The Budget (No. 2) Act (Northern Ireland) 2021 which received Royal Assent on 4 August 2021 authorises the cash and resource balance to complete for the remainder of the 2021-22 financial year based on the Executive's 2021-22 Final Budget.

Appointments to the Department's ALBs and school Boards of Governors

Following the restoration of the Northern Ireland Assembly and Executive on 13 January 2020, a number of appointments were made by the Education Minister during the 2020-21 financial year, including the Chair of the EA and CCEA, and board members of CCEA, CCMS and MCA. However, there remains a small number of vacancies across three of the NDPB Boards arising from the inability to make appointments over the last few years, in the absence of the Education Minister. These will be progressed during 2021-22.

Upon the retirement of the out-going CEO of CnaG at the end of 2019-20, an interim CEO was appointed from 1 April 2020; a new CEO was subsequently appointed to CnaG in December 2020.

Throughout most of 2019 the appointment and nomination of DE governors was suspended in the absence of an Education Minister. In early 2020 the appointment/nomination process resumed for a brief period but was again suspended due to COVID-19. However, the impact on schools has been mitigated by a number of factors:

- a Board of Governors reconstitution exercise, which occurs once every 4 years, was completed in early 2019, resulting in a relatively small level of vacancies overall;

- existing DE governors are able to remain in post until such times as they are replaced; and

- Boards of Governors may continue to function without DE-appointed / DE-nominated governors, as such governors represent only a proportion (ranging from one ninth to one third) of the total.

For some types of schools (e.g. controlled primary and secondary schools), there has been no impact as these schools have no DE nominations on their Boards of Governors.

Delivery of HR Services

As at 31 March 2021, the Department employs 519 staff who play an important role in the delivery of services to the Minister, education sector and citizens. Delivery of HR services for all NICS staff has been centralised in the DoF's NICS HR since April 2017. The Department's Strategic HR Business Partner (based in NICS HR) is a member of the DE Board and reports on HR matters at each Board meeting. The Department retains responsibility for Departmental workforce planning, vacancy management, staff engagement and development and implementation of the DE People Plan. This was on hold in 2020-21 due to COVID-19 however has begun again for 2021-22.

Staff absence

The most recently validated information from NISRA indicated that the Department recorded 6.4 days lost per full time equivalent member of staff for 2020-21, which is a decrease from 9.9 days lost in 2019-20. The sickness absence for NICS overall in 2020-21 was 9.8 days lost per full time equivalent member of staff.

While the Department has seen a decrease in staff absence, the results of the 2020 NICS People Survey indicate high levels of satisfaction within DE across a range of themes. A key indicator of staff satisfaction is the Engagement Index, currently 59% for DE. The score continues the Department's upward trend from previous years, 55% in 2019, 52% in 2018, 50% in 2017 and 48% in 2015 and indicates we are making incremental improvements.

YCNI

YCNI Board members' appointments ended on 31 March 2019. Legal advice confirmed that, in the absence of a Minister, the Department was unable to appoint new members or to extend the appointments of existing members. The YCNI was not included in Regulations specifying further offices to which the Secretary of State may make appointments under section 5 of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and subsequently the YCNI ceased to be operational post 31 March 2019.

Since the restoration of the NI Executive and the appointment of an Education Minister, the Department has been working on the development of options regarding the future of YCNI. This work was delayed due to closure of the majority of youth service provision and with resources diverted to address the need of young people during the pandemic. Work recommenced early in 2021, including a survey of the youth sector on the need for and future role of the YCNI to inform the Minister's decision on the way forward.

Irregular Spend

A key aspect of the overall financial control process for public expenditure is the effective operation of delegated limits for approval of expenditure between the Department and DoF and between the Department and its funded bodies. Compliance with this process is essential to ensure regularity of expenditure.

In the course of the 2020-21 financial year two instances of non-compliance were identified:

- CnaG - An administrative error resulted in the newly appointed CEO being placed on a salary range that differed from the last approved pay remit. The difference caused by this error was in the range £0 - £5,000.

- CCEA - DoF approval was not sought for commercial insurance cover taken during 2020-21 (£7,220).

Investigations in relation to both occurrences concluded that the circumstances do not meet the criteria to seek retrospective approval; consequently this has resulted in irregular expenditure during the 2020-21 financial year of c£9,697.

The importance of compliance with the public expenditure process is recognised fully by the Department. Since these issues came to light, the Department has taken forward a number of measures to prevent recurrence. This is an area which will be the subject of ongoing scrutiny by the Department.

Update on prior year significant issues

The remaining prior year significant issues were as follows:

- The UK's Decision to Leave the EU
- NIAO Review of SEN
- Data Security Lapses

The UK's Decision to Leave the EU

The United Kingdom left the EU on 31 January 2020, with a Trade and Co-operation Agreement between the EU and UK agreed at the end of the transition period in December 2020. Whilst the Department continues to have an interest in a limited number of issues in relation to future relationships and funding, together with the NI Protocol and CTA commitments to rights and privileges, day-to-day education services remain largely unaffected. The Department retains an interest in future arrangements on movement of data.

NIAO Review of SEN

The 2017 NIAO report on SEN (2017 Report) looked at the process for identifying children with SEN, the costs of provision for children with SEN and examined the process in place to monitor and evaluate the impact of SEN provision in mainstream schools. The report included 10 recommendations.

A Programme Board, with representatives from DE, ETI and the EA, provided governance for a number of projects including the approach of schools to SEN identification and provision, the monitoring and evaluation of the impact of SEN provision on pupil outcomes, capacity building, the identification, reporting and monitoring of the EA's SEN expenditure and the current funding arrangements for SEN.

To date, the following actions have been completed.

- Implementation of more robust financial monitoring and reporting of EA SEN expenditure.

- Development of SEN funding options as part of the Review of the Common Funding Scheme.

- Development of an EA Outcomes Based Accountability Framework to monitor and evaluate the impact of SEN provision and support on pupil outcomes.

- Identification and dissemination of effective SEN practice in mainstream schools.

- Effective co-operation between the EA, Health Trusts and PHA to improve the notification referral and statutory assessment process.

- Increased use of SEN specialist inspector/associate assessors in mainstream school inspections.

The Programme Board is satisfied that the programme of work completed to date, together with identified follow-on actions, will address the recommendations in the SEN report. Progress on implementation of identified longer-term actions will be monitored through a "Future Governance and Monitoring Report".

The Programme Board will continue to meet until it is satisfied that appropriate arrangements are in place to address any outstanding actions, including those arising from the NIAO's 2020 follow-up SEN Impact Report and the 2021 Public Accounts Committee Report on Impact Review of SEN.

The Department has established a SEN Governance Group to oversee improvements in SEN.

Data security lapses

The Department has a Personal Data Breach Management Plan in place which is published on the DE Intranet for staff. No significant lapses of data security were identified during 2020-21.

3.3.9 NDPB GOVERNANCE FRAMEWORK

The Chief Executive of each of the Department's NDPBs is designated by the Departmental Accounting Officer as the Accounting Officer for his or her organisation. The allocation of Accounting Officer responsibilities is set out in the Statement of Accounting Officers' Responsibilities.

During 2020-21, the Department adopted a robust framework for ensuring effective governance within its existing NDPBs and to provide the Accounting Officer with assurance that designated Accounting Officers were fulfilling their responsibilities. Key features of this framework included:

- a requirement to ensure compliance with statute and with the body's Management Statement and Financial Memorandum;

- arrangements to ensure that NDPB business plans reflected and supported the delivery of the Education Minister's strategic priorities, particularly those related to raising standards and closing the attainment gap;

- monitoring of progress in delivering agreed business plan targets;

- regular, formal Governance and Accountability Review meetings chaired by the Permanent Secretary and attended by the respective chief executives and chairs;

- the completion of mid-year governance statements which provided confirmation (and, where necessary, evidence) that required processes were being followed;

- regular engagement between DE Directors and senior NDPB counterparts; and

- the regular attendance of a senior DE member of staff as an observer at meetings of each NDPB's audit committee and routine and timely feedback from these meetings.

In adherence with the NIAO's review of ALB oversight arrangements, the DE Sponsorship Manual 'Governance and Accountability Arrangements for the Oversight of ALBs is reviewed on an annual basis. This was reviewed in December 2020 to reflect organisational changes within the Department, with the next review scheduled for late 2021.

NDPB governance statements

The DE Governance Statement needs to reflect, and be informed by, the content of the Governance Statements of the NDPBs for which the Department is accountable. Accordingly, the Department requested sight of the draft Governance Statements from all of its executive NDPBs.

As a first step, in order to ensure good standards of governance in its NDPBs, the Department carried out an analysis of the initial draft Governance Statements which were submitted by each NDPB within the required deadline and provided feedback accordingly. This was done in consideration of the guidance on compliance and content contained in Annex 3.1 of MPMNI, the related fact sheet provided by NIAO, and previous feedback provided by the Department. The majority of the initial draft statements complied with the above guidance and took on board the previous year's feedback. Some minor suggestions for improvement, including a small number of factual inaccuracies, were provided to a small number of bodies.

Bodies were also asked to submit their final draft statements to DE by 22 April. Finalised Governance Statements were received from all ALBs, with the exception of the EA, by 23 April. The EA's final draft Governance Statement was received on 6 August. . A subsequent analysis by DE indicated that the feedback provided had largely been taken account of by the bodies prior to submitting the final draft Statements. The Department also used its analysis of the draft Governance Statements to ensure that its own statement captures all relevant significant issues (see section 8).

3.3.10 CONCLUSION

In conclusion, it is my assessment that DE operates an appropriately rigorous system of governance and accountability which I can rely on as Accounting Officer to provide assurance that the public funds and other resources for which I am accountable are deployed effectively and appropriately. Where significant issues have arisen that could affect the principles of regularity, propriety or value for money I am satisfied that appropriate action is being taken to address these.

4. REMUNERATION AND STAFF REPORT

The remuneration and staff report sets out the Department's remuneration policy for Ministers and the Departmental Board, reports on how that policy has been implemented and sets out the amounts awarded to them and where relevant the link between performance and remuneration. In addition, the report provides details on remuneration and staff that the Assembly and other users see as key to accountability.

Remuneration Report

4.1 Remuneration policy

The pay remit for the Northern Ireland (NI) public sector, including SCS, is approved by the Minister of Finance. The Minister has set the 2020-21 NI public sector pay policy (September 2020) in line with the overarching HMT parameters. Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay award for NICS staff, including SCS, for 2020-21 has been finalised but not yet paid.

The pay of SCS is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

4.2 Service contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may otherwise be made.

Unless otherwise stated, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners for Northern Ireland can be found at [www.nicscommissioners.org.](http://www.nicscommissioners.org)

4.3 Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the Department.

4.4 Remuneration and pension entitlements (Audited)

Remuneration and pension entitlements – Ministers (Audited)

Single total figure of remuneration								
Minister	**Salary (£)**		**Benefits in kind (to nearest £100)**		**Pension Benefits* (to nearest £1000)**		**Total (to nearest £1000)**	
	2020-21	**2019-20****	**2020-21**	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Mr Peter Weir MLA	38,000	8,478 (38,000 full year equivalent)	-	-	12,000	3,000	50,000	11,000

* *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*
*** Prior year salary for the Minister has been revised from £51,000 to £38,000. - the full year equivalent salary has been picked up as the Member element rather than the ministerial element of £38k*

Remuneration and pension entitlements – Officials (Audited)

Single total figure of remuneration						
Officials	**Salary (£000)**		**Pension Benefits* (£000)**		**Total (£000)**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Mr Derek Baker *Permanent Secretary To 27 November 2020*	80-85 (120-125 full year equivalent)	115-120	80	53	160-165	170-175
Dr Mark Browne *Permanent Secretary From 1 March 2021*	5-10 (115-120 full year equivalent)	-	1	-	5-10	-
Mrs Fiona Hepper *Deputy Secretary*	95-100	90-95	53	34	150-155	125-130
Mrs Faustina Graham*** Chief Inspector *From 2 November 2020*	35-40 (90-95 full year equivalent)	-	62	-	95-100	-
Mr Gary Fair *Director*	75-80	70-75	42	27	115-120	95-100
Mr John Smith *Deputy Secretary*	95-100	90-95	51	43	145-150	135-140

Single total figure of remuneration						
Officials	**Salary (£000)**		**Pension Benefits* (£000)**		**Total (£000)**	
	2020-21	**2019-20**	**2020-21**	**2019-20**	**2020-21**	**2019-20**
Mrs Lianne Patterson Deputy *Secretary from 1 April 2020 to 29 November 2020 and 1 March to 31 March 2021 Acting Permanent Secretary from 30 November 2020 to 28 February 2021*	100-105	90-95	69	(1)	170-175	90-95
Mrs Noelle Buick Chief Inspector (Until 31 March 2020)	-	100-105	-	26	-	125-130
Mrs Joan McEwan** *Non-executive Director*	5-10	5-10	-	-	5-10	5-10
Mrs Fiona Keenan** *Non-executive Director*	-	5-10 (5-10 full year equivalent)	-	-	5-10	5-10

* *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decrease due to a transfer of pension rights.*
***The Department and non-executive directors may terminate the appointment by giving three months' notice in writing.*
****There was no interim Chief Inspector between the retirement of Noelle Buick in March 2020 and the appointment of Faustina Graham in November 2020.*

As per the Directors Report, Carol Gordon (Anne Moore until November 2020) is listed as a Senior Officer within the Department. However, details of her remuneration has not been disclosed as it was paid by another Department.

4.5 Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances (where applicable); private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments.

DE was under the direction and control of Peter Weir MLA during the financial year. His salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in these accounts. These amounts do not include costs relating to the Minister's role as MLA/MP/MEP which are disclosed in the appropriate legislature accounts.

4.6 Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. There were no such benefits in kind made in 2020-21 or 2019-20.

4.7 Pay Multiples (Audited)

	2020-21	2019-20
Band of Highest Paid Directors' Total Remuneration* (£000)	115-120	115-120
Median Total Remuneration * (£)	32,245	31,301
Ratio	3.6	3.8

Total remuneration includes salary, non-consolidated performance-related pay (where applicable), and benefits in kind (where applicable). It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the financial year 2020-21 was £115,000 - £120,000 (2019-20, £115,000 - £120,000). This was 3.6 times (2019-20 3.8) the median remuneration of the workforce, which was £32,245 (2019-20, £31,301).

In 2020-21, no employees received remuneration in excess of the highest paid director. Remuneration ranged from £10,000 to £119,000 (2019-20: £10,000 to £119,000).

4.8 Pension Entitlements (Audited)

Pension Entitlements – Ministers (Audited)

	Accrued pension at pension age as at 31/3/21 £000	Real increase in pension at pension age £000	CETV at 31/3/21 £000	CETV at 31/3/20 £000	Real increase in CETV £000
Mr Peter Weir MLA	0-5	0-2.5	46	35	7

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern

Ireland) 2011 establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly. In April 2016 the Independent Financial Review Panel issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings (CARE) scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Assembly Members aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 will retain their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on Members who missed out on the Transitional Protection policy in the AMPS because of their age but the applicability and approach to the McCloud judgement in this scheme is still under consideration.

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member. Pension benefits for all other Ministers are provided on a CARE basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 14.4% of the Ministerial salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the increase in accrued pension due to the Department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister, and is calculated using valuation factors for the start and end of the period.

Pension Entitlements – Officials (Audited)

	Accrued pension at pension age as at 31/3/21 and related lump sum £000	**Real increase /(decrease) in pension and related lump sum at pension age £000**	**CETV at 31/3/21* £000**	**CETV at 31/3/20** £000**	**Real increase /(decrease) in CETV £000**	**Employer contribution to partnership pension account (nearest £100)**
Mr Derek Baker *Permanent Secretary To 27 November 2020*	65-70 plus lump sum of 200-205	2.5-5 plus lump sum of 10-12.5	1,499	1,435	76	-
Dr Mark Browne *Permanent Secretary From 1 March 2021*	45-50 plus lump sum of 135-140	0-2.5 plus lump sum of 0-2.5	1,027	1,024	1	-
Mrs Fiona Hepper *Deputy Secretary*	40-45 plus lump sum of 125-130	2.5-5 plus lump sum of 7.5-10	1,015	927	55	-
Mrs Faustina Graham Chief Inspector From 2 November 2020	35-40 plus lump sum of 115-120	2.5-5 plus lump sum of 7.5-10	917	869	63	-
Mr Gary Fair *Director*	30-35 plus lump sum of 100-105	0-2.5 plus lump sum of 5-7.5	807	737	44	-
Mr John Smith *Deputy Secretary*	30-35	2.5-5	483	430	32	-
Mrs Lianne Patterson *Deputy Secretary from 1 April 2020 to 29 November 2020 and 1 March to 31 March 2021 Acting Permanent Secretary from 30*	30-35	2.5-5	482	416	46	-

	Accrued pension at pension age as at 31/3/21 and related lump sum £000	Real increase /(decrease) in pension and related lump sum at pension age £000	CETV at 31/3/21* £000	CETV at 31/3/20** £000	Real increase /(decrease) in CETV £000	Employer contribution to partnership pension account (nearest £100)
November 2020 to 28 February 2021						
Mrs Noelle Buick *Chief Inspector (until 31 March 2020)*	-	-	-	805	-	-
Mrs Joan McEwan *Non-executive director*	-	-	-	-	-	-

** CETV at 31 March 2021 or date of leaving the board, if earlier.*
*** CETV at 31 March 2020 or date of joining the board, if later.*

****There was no interim Chief Inspector between the retirement of Noelle Buick and the appointment of Faustina Graham.*

4.9 NICS Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who, on 1 April 2012, were within 10 years of their normal pension age did not move to alpha, and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoF. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relates to the different schemes e.g. classic, alpha etc. and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the CSP schemes, including the scheme valuation outcomes. Further information on this will be included in the NICS pension scheme accounts which are available at https://www.finance-ni.gov.uk/publications/dof-resource-accounts.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement, or they could have opted for a partnership pension account.

Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2020 was 0.5% and HM Treasury has announced that public service pensions will be increased accordingly from April 2021.
Employee contribution rates for all members for the period covering 1 April 2021 – 31 March 2022 are as follows:

Scheme Year 1 April 2021 to 31 March 2022

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – All members
From	**To**	**From 01 April 2021 to 31 March 2022**
£0	£24,199.99	4.6%
£24,200.00	£55,799.99	5.45%
£55,800.00	£153,299.99	7.35%
£153,300.00 and above		8.05%

4.10 Cash Equivalent Transfer Values (CETV)

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

The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

4.11 Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period, so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

4.12 Compensation for loss of office (Audited)

The Department incurred no compensation for loss of office in 2020-21.

Staff Report

4.13 Staff costs (Audited)

Staff costs comprise:

	Permanently employed staff* £000	Others £000	Ministers £000	2020-21 Total £000	2019-20 Total £000
Wages and salaries	20,029	2,079	38	22,146	20,801
Social security costs	2,185	-	5	2,190	2,069
Other pension costs	6,130	-	5	6,135	5,862
Total net costs**	**28,344**	**2,079**	**48**	**30,471**	**28,732**

Analysed as:	2020-21 £000	2019-20 £000
Administration costs	15,182	13,969
Minister’s costs (notional)	48	12
Total administration costs	**15,230**	**13,981**
Programme costs	14,266	13,572
Total charged to the SOCNE	**29,496**	**27,553**
Capitalised	975	1,179
Total net costs	**30,471**	**28,732**

**The 2020-21 figures include the cost of the Department’s Special Adviser who was paid in the pay band £55,000 to £69,999 (2019-20: £55,000 to £69,999). The SpAd was appointed in February 2020.*

***Of the total, £975k has been charged to capital.*

The NICS main pension schemes are unfunded multi-employer defined benefit schemes, and therefore DE is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary’s Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the ‘McCloud remedy’. DoF also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap mechanism is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the ‘McCloud remedy’, scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. On completion of the consultation process the 2016 Valuation will be completed and the final cost cap results will be determined.

A case for approval of a Legislative Consent Motion (LCM) has been laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill to NI. An LCM allows the Assembly to consent to legislation for NI being made by the UK Parliament for devolved matters. The UK Bill will legislate how the government will remove the discrimination identified in the McCloud judgment. The Bill also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2020-21, employers’ contributions of £6,124,870.65 were payable to the NICS pension arrangements (2019-20: £5,855,094.48) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £5,118.17 (2019-20: £4,662.94) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2019-20: 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a ‘free’ pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £120.12, 0.5% (2019-20: £147.09, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil.

One person (2019-20: no people) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £4,742.42 (2019-20: £nil).

4.14 Average number of persons employed (Audited)

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

Activity	Permanently employed staff Number	Others Number	Ministers Number	Special advisers Number	2020-21 Total Number	2019-20 Total Number*
Aggregated Schools Budget	257	28	1	1	287	282
Education Authority (EA) Block Grant	138	16	-	-	154	163
Earmarked budgets	52	6	-	-	58	27
Other NDPBs	5	1	-	-	6	7
Other Education Services	7	1	-	-	8	1
Early Years Provision	6	1	-	-	7	7
Youth and Community Relations	7	1	-	-	8	8
Department of Education costs	6	1	-	-	7	7
Voluntary Exit Scheme**	-	-	-	-	-	2
Capital grants	12	1	-	-	13	36
Staff engaged on capital projects	19	-	-	-	19	19
Total	**509**	**56**	**1**	**1**	**567**	**559**

The above disclosure relates to the core Department, split proportionately across the operating segments detailed in Note 2 in the Financial Statements section. The staff numbers are apportioned on the basis of the total net costs of each segment and consequently changes in staff numbers for a particular segment are driven by the levels of spend within each segment. The Department does not have any agencies.

*During 2019-20 the Minister was in post from 11 January 2020 and the Special Adviser was in post from February 2020.

4.15 Number of SCS staff by grade (Audited)

The number of SCS staff employed as at 31 March 2021 was as follows:

Grade (including Analogous Grades)	Number
Grade 2	1
Grade 3	4
Grade 5	14

The breakdown of SCS staff by pay band (based on a full year equivalent) is as follows:

Pay band (£)	Number
70,000 - 75,000	4
75,000 - 80,000	10
80,000 - 85,000	-
85,000 - 90,000	-
90,000 - 95,000	1
95,000 - 100,000	2
100,000 - 105,000	1
105,000 - 110,000	-
110,000 - 115,000	-
115,000 - 120,000	1

4.16 Staff composition - breakdown of employees by gender (Audited)

The analysis of the Department's employees by gender at 31 March 2021 was as follows:

	Male	Male %	Female	Female %	Total	Total %
Executive Directors	3	50	3	50	6	100
Non-executive Directors	-	-	1	100	1	100
Total Directors*	3	42.9	4	57.1	7	100
Senior Managers**	8	61.5	5	38.5	13	100
Other employees	195	38.2	315	61.8	510	100
Total * **	**206**	**38.9**	**324**	**61.1**	**530**	100

**Directors include members of the DE Board as at 31 March 2021.*
***Senior managers include members of staff at SCS level.*
Note: this table is based on the number of staff in post rather than full time equivalents, and excludes 11 staff on career break.
******* *Paragraph 4.14 shows the average number of staff employed by the Department (on a whole time equivalents basis) during the financial year. The table above reports the actual number of staff employed by the Department at 31 March 2021.*

4.17 Staff turnover percentage

The DE Staff Turnover percentage (the number of people that have left the Department but have moved within the NICS) for 2020-21 is 7.5%, and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 4.1%. This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

4.18 Reporting of compensation and exit packages for all staff (Audited)

Redundancy and other departure costs would be paid in accordance with the provisions of the Civil Service Compensation Scheme (NI), a statutory scheme made under the Superannuation (NI) Order 1972. No exit costs were paid in 2020-21, the year of departure (2019-20: £nil). Where the Department has agreed early retirements, the additional costs are met by the Department and not by the CSP scheme. Ill-health retirement costs would be met by the pension scheme.

4.19 Sickness absence

The Department had an overall sickness absence rate of 6.4 days lost per employee in 2020-21 (in 2019-20, the outturn was 9.9 days). Annual sickness absence figures can be found in the *"Sickness Absence in the Northern Ireland Civil Service 2020-21"* report at Sickness Absence Statistics Northern Ireland Statistics and Research Agency (nisra.gov.uk).

A sustained management focus in this area has been in place throughout 2020-21 together with a Health and Well Being Programme for staff – this will continue in 2021-22.

4.20 Staff policies

At 31 March 2021, the Department has 519 full time equivalent staff (which includes 1 NEBM) who play an important role in the development of policy and delivery of services to support the draft PfG outcome: '*We give our children and young people the best start in life*.'

In early 2018, a Staff Engagement Forum, comprising staff from across DE at all grades, was established. Using the results of the 2017 DE People Survey and feedback on issues raised by NICS People Strategy focus groups, the Forum identified the priorities of Leadership and Managing Change; Learning and Development; and Accommodation. A number of actions were developed under each priority and included in the 2018-19 DE People Plan which was endorsed by the DE Board. Results of the 2018 People Survey showed an increase in scores across the majority of the themes. The Staff Engagement Forum was refreshed for 2019-20 and a new People Plan was published in July 2019 which included a new priority area, Health & Wellbeing, in addition to the three areas included previously. An action plan was developed to take forward the People Plan and delivery continued throughout the year. An update of the Staff Engagement Forum and preparation of a People Plan for 2020-21 was delayed due to the COVID-19 pandemic however the Forum has taken place remotely during 2021-22.

Staff engagement scores

The 2020 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments, as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. For DE there were 558 (2019-20: 562) staff invited to complete the survey, of which 345 (2019-20: 395) participated, a response rate of 61.1% (2019-20: 70%). The Employee Engagement Index is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DE responses indicated an Employee Engagement Index of 59% (2019-20: 55%), compared to the NICS average of 57% (2019-20: 51%). The full survey can be accessed at https://www.finance-ni.gov.uk/publications/nics-people-survey-results

Equal opportunities

The Department is an Equal Opportunity employer and fully endorses the NICS Equal Opportunities Policy Statement.

The policy statement is that all eligible persons shall have equal opportunity for employment and advancement in the NICS on the basis of their ability, qualifications and aptitude for the work. Everyone has a right to equality of opportunity and to a good and harmonious working environment and atmosphere in which all workers are encouraged to apply their diverse talents and in which no worker feels under threat or intimidated. This right is protected in many instances by legislation.

We aim to foster a culture that encourages every member of staff to develop their full potential and which rewards achievement. Creating a working environment where individual differences are valued and respected enables all staff to give of their best and helps us to respond more effectively to the needs of the people we serve.

Employment, training and advancement of disabled persons

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Recruitment and selection training, which includes raising awareness of unconscious bias, is offered to all members of NICS recruitment panels. Unconscious bias training is available to all staff.

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support adjustments to the working environment required by disabled persons.

The NICS has a wide and active network of Diversity Champions and one of its Deputy Secretaries is the NICS Diversity Lead for Disability. The NICS has a Disability Working Group and is a lead partner with Employers for Disability Northern Ireland. During 2020-21 the NICS established a Disability Staff Network.

This Network plays a key role in promoting disability equality and inclusion across the NICS.

The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS promotes a number of schemes for disabled people, including a Work Experience Scheme for People with Disabilities.

Health and safety

To comply with the Health and Safety at Work (NI) Order 1978, the Department has a duty to ensure the health, safety and welfare of its employees. The Department is fully committed to the pursuit of its obligations in this area.

4.21 Other Employee Matters

Equality, Diversity and Inclusion

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

The NICS People Strategy includes a range of actions that will help accelerate our ambition of a truly inclusive NICS, which reflects the society we serve.

As a key element of the People Strategy, our ambitious diversity and inclusion programme of work is delivered through the implementation of an annual NICS Diversity Action Plan, and overseen by the leadership of the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICSHR, as well as through partnership working with stakeholder organisations.

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The NICS's commitment to equality of opportunity is outlined in its Equality, Diversity and Inclusion Policy.

As part of the NICS's efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of NICS human resource statistics.

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The finding are published in the NICS Article 55 and Gender Reviews,

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the Department’s equality scheme is available at Department for Education.

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR[3]. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and this year the focus was on improving the quality of the development conversation between managers and staff, with the introduction of a talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

Employee Consultation and Trade Union Relationships

DoF is responsible for the NICS Industrial Relations Policy. NICSHR, consults on HR policy with all recognised Trade Unions and local Departmental arrangements are in place to enable consultation on matters specific to a Department or individual business area.

[3] NICSHR is the NICS’ centralised human resources function. It falls under the responsibility of the DoF

4.22 Expenditure on consultancy

External consultancy spend during 2020-21, based on Final Outturn figures, is currently recorded as £620 on one individual project.

There was no external consultancy spend recorded in 2019-20.

4.23 Temporary staff

Departmental temporary staff costs in 2020-21 amounted to £2,079k (2019-20: £1,651k). The majority of these costs are for staff on loan from DoF working in the specialist areas of Statistics and the Building Advisory Team. The remainder of the costs were spent on agency workers and secondees.

The 2020-21 expenditure on temporary staff is 26% more than in 2019-20. The main reasons for this are an increase in costs relating to agency workers who were covering for staff temporarily redeployed to work on other projects including the Teachers' Pensions System and EA One Project, an increase in general advisory work carried out by Building Advisory Team and an increase in costs relating to Internal Audit and Statistics.

4.24 Off-payroll engagements

There were no 'off-payroll' engagements at a cost of over £245 per day in place during 2020-21.

	Department
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	**-**
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year.	**6**

4.25 Staff redeployment for COVID-19 and EU Exit work (Audited)

COVID-19

Grade of staff	Short term loan (0 to 6 months)	Long term loan (6-12 months)
Grade 6	-	1
Deputy Principal	1	-
Staff Officer	4	-
Executive Officer II	-	1
Total	**5**	**2**

The average number of days on which staff were redeployed was 121 and the staff costs were classified as programme.

EU Exit

Grade of staff	Short term loan (0 to 6 months)	Long term loan (6-12 months)
Grade 7	-	1
Staff Officer	-	1
Executive Officer I	-	1
Total	**-**	**3**

The average number of days on which staff were redeployed was 169 and the staff costs were classified as programme.

ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT

The Assembly accountability and audit report brings together the key Assembly accountability documents within the annual report and accounts. It comprises a SOAS and supporting notes, regularity of expenditure, Assembly accountability disclosures and the Certificate and Report of the C&AG to the NI Assembly.

5 STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (AUDITED)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the FReM requires the Department to prepare a SOAS and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the C&AG to the NI Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3); an analysis of income payable to the Consolidated Fund (note 4), a reconciliation of income recorded within the SOCNE to operating income payable to the Consolidated Fund (note 5); and detail on non-operating income – excess Accruing Resources (note 6).

The notes on pages 133 to 162 form part of these accounts.

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the Financial Review section of the Performance Report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The Financial Review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOAS disclosures.

5.1 Summary tables – mirror Part II and III of the Estimates (Audited)

Summary table, 2020-21, all figures presented in £000 (Audited)

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Restated* Prior year outturn total, 2019-20 £000
		Gross expenditure £000	Accruing Resources £000	Net total £000	Gross expenditure £000	Accruing Resources £000	Net total £000	Net total £000	
Request for Resources A	SOAS 1	2,603,345	(16,701)	2,586,644	2,810,200	(17,794)	2,792,406	205,762	2,305,713
Total resources	SOAS 2	**2,603,345**	**(16,701)**	**2,586,644**	**2,810,200**	**(17,794)**	**2,792,406**	**205,762**	**2,305,713**
Non-operating Accruing Resources		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

*The prior year included Request for Resources A (RfRA) and Request for Resources B (RfRB). In 2020-21, all resources were classified as RfRA and the prior year figures have been restated to combine RfRA and RfRB. The key intended outcome of the Review of Financial Process will be the alignment of Budgets, Estimates and Accounts, and to that end, the Estimates function lines have been grouped under one RfR to allow for simplified reporting.

The notes on pages 133 to 162 form part of these accounts.

5.2 Net Cash Requirement 2020-21, all figures presented in £000 (Audited)

Item	Note	Outturn £000	Estimate £000	Outturn vs Estimate, saving/ (excess) £000	Prior year outturn total, 2019-20 £000
Net cash requirement	SOAS 3	**2,584,299**	**2,809,715**	**225,416**	**2,308,757**

5.3 Summary of income payable to the Consolidated Fund (Audited)

In addition to Accruing Resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

Item	Note	Forecast 2020-21		Outturn 2020-21	
		Income £000	Receipts £000	Income £000	Receipts £000
Total amount payable to the Consolidated Fund	SOAS 4	**4,602**	***4,602***	**4,157**	***4,157***

Explanations of the variances between Estimate and outturn are given in note SOAS1 and in the Performance Report.

The notes on pages 133 to 162 form part of these accounts.

Notes to the Statement of Outturn against Assembly Supply, 2020-21 (£000) (Audited)

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation.

5.4 SOAS note 1. Outturn detail by Estimate line (Audited)

Type of spend	Resource outturn						Estimate			Outturn vs Estimate (including virements), saving/ (excess) £000	Restated** Prior-year outturn total, 2019-20 £000
	Admin £000	Other Current £000	Grants £000	Gross Expenditure £000	Accruing Resources £000	Net Total £000	Net Total £000	Virements* £000	Net total including virements £000		
Request for Resources A											
Departmental Expenditure in DEL:											
1.Education Authority - Departmental overheads	9,826	16,253	-	26,079	(846)	25,233	25,773	(540)	25,233	-	23,521
2. Non-Departmental Public Bodies – Departmental overheads	720	14	-	734	-	734	741	-	741	7	684
3.Voluntary and Grant Maintained Integrated Schools – Departmental overheads	5,115	52	-	5,167	-	5,167	5,217	-	5,217	50	4,813
4.Centrally Financed Services	850	1,696	37,718	40,264	-	40,264	39,510	754	40,264	-	7,901
5. Early Years Services	146	5	30,946	31,097	-	31,097	31,711	(214)	31,497	400	29,292
6. Co-funded ALB Income	-	-	-	-	(13,554)	(13,554)	(14,572)	1,018	(13,554)	-	(13,446)
7. European Union Programme for Peace and Reconciliation	-	-	1,221	1,221	(1,038)	183	183	-	183	-	515
8. Shared Education (from Atlantic Philanthropies)	-	42	-	42	(145)	(103)	(103)	-	(103)	-	(1,056)
9. Vulnerable Persons Relocation Scheme	-	-	-	-	(1,118)	(1,118)	(1,194)	76	(1,118)	-	(1,323)
10. Youth and Other Children's Services	-	534	2,299	2,833	-	2,833	3,290	-	3,290	457	7,983

Type of spend	Resource outturn Admin £000	Other Current £000	Grants £000	Gross Expenditure £000	Accruing Resources £000	Net Total £000	Estimate Net Total £000	Virements* £000	Net total including virements £000	Outturn vs Estimate (including virements), saving/ (excess) £000	Restated** Prior-year outturn total, 2019-20 £000
Annually Managed Expenditure:											
11. Provisions	60	(75)	-	(15)	-	(15)	232	-	232	247	215
12. Impairments	-	-	-	-	-	-	1,700	-	1,700	1,700	(140)
Non-Budget:											
13. Education Authority	-	-	2,038,398	2,038,398	-	2,038,398	2,167,040	(1,094)	2,165,946	127,548	1,804,628
14. Voluntary and Grant Maintained Integrated Schools	-	-	429,405	429,405	-	429,405	497,848	-	497,848	68,443	411,601
15. Council for the Curriculum, Examinations and Assessment	-	-	18,375	18,375	-	18,375	23,635	-	23,635	5,260	20,377
16. Council for Catholic Maintained Schools	-	-	3,549	3,549	-	3,549	4,000	-	4,000	451	3,842
17. General Teaching Council for Northern Ireland	-	-	62	62	-	62	62	-	62	-	-
18. Comhairle na Gaelscolaíochta	-	-	779	779	-	779	856	-	856	77	777
19. Northern Ireland Council for Integrated Education	-	-	634	634	-	634	703	-	703	69	637
20. Middletown Centre for Autism Ltd	-	-	1,254	1,254	-	1,254	1,418	-	1,418	164	1,319
21. Youth Council for Northern Ireland	-	-	-	-	-	-	56	-	56	56	-
22. Notional Charges	3,467	-	-	3,467	-	3,467	4,300	-	4,300	833	3,573
Resource Outturn	**20,184**	**18,521**	**2,564,640**	**2,603,345**	**(16,701)**	**2,586,644**	**2,792,406**	**-**	**2,792,406**	**205,762**	**2,305,713**

The notes on pages 133 to 162 form part of these accounts.

* Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail but delegates this to DoF). Further information on virements is provided in the Supply Estimates in the NI Guidance Manual, which is available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

** The prior year included Request for Resources A (RfRA) and Request for Resources B (RfRB). In 2020-21, all resources were classified as RfRA and the prior year figures have been restated to combine RfRA and RfRB.

Explanation of variance between Estimate and outturn

Request for Resources A shows a total variance of £205.8m (7.4%) against the Spring Supplementary Estimate for the year. The variance was primarily due to lower than anticipated drawdown of cash grant-in-aid by the Department's NDPBs. Cash grant-in-aid is "non-budget" and the Estimate figure represents the best forecast of the cash required by the Department and its NDPBs when the Estimates were prepared i.e. the last revision to the Estimate is normally in January, well before the end of the financial year in question. As cash is only drawn down as required, this variance reflects the difference between the estimated cash requirement and the actual amount of cash required in-year. It does not represent an underspend against the DE budget.

Detailed explanations of the variances between Estimate and outturn are given in the Performance Report.

Key to Request for Resources

Request for Resources

Ensuring that all young people, through participation at school, reach the highest possible standards of educational achievement that will give them a secure foundation for lifelong learning and employment; and develop the values and attitudes appropriate to citizenship in an inclusive society. Promoting, through the youth service and children's services, the personal and social development of children and young people and assisting them to gain knowledge, skills and experience to reach their full potential as valued individuals. Encouraging children and young people to develop mutual understanding and promote recognition of, and respect for cultural diversity, human rights, equality of opportunity and social inclusion.

The notes on pages 133 to 162 form part of these accounts.

5.5 SOAS note 2. Reconciliation of outturn to net operating expenditure (Audited)

Item	Note	Outturn £000	Supply Estimate £000	Outturn compared with Estimate £000	Prior year outturn total, 2019-20 £000
Net resource outturn	SOAS 1	2,586,644	2,792,406	205,762	2,305,713
Non-supply income (CFERs)		(4,157)	(4,602)	(445)	(2,714)
Net operating expenditure in the Statement of Comprehensive Net Expenditure	**SOCNE**	**2,582,487**	**2,787,804**	**205,317**	**2,302,999**

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SOAS to the financial statements.

Net operating expenditure for the year is the total of expenditure and income appearing in the SOCNE. Net resource outturn is the total of those elements of expenditure and income that are subject to Assembly approval and included in the Department’s Supply Estimate.

The notes on pages 133 to 162 form part of these accounts.

5.6 SOAS note 3. Reconciliation of net resource outturn to net cash requirement (Audited)

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation.

Item	Note	Outturn £000	Estimate £000	Outturn vs Estimate: saving/ (excess) £000
Resource Outturn	SOAS 1	2,586,644	2,792,406	205,762
Capital:				
Acquisition of property, plant and equipment and intangible assets	6, 7	3,148	3,974	826
Accruals to cash adjustments				
Adjustments to remove non-cash items:				
Depreciation, impairments and revaluations	3.1	(402)	(2,153)	(1,751)
New provisions and adjustments to previous provisions	3.1	15	(232)	(247)
Other non-cash items	3.1	(3,467)	(4,300)	(833)
Adjustments to reflect movements in working capital balances:				
Increase in receivables	12	269	-	(269)
(Increase)/decrease in payables falling due within one year	13	(1,928)	20,000	21,928
Use of provision	14	20	20	-
Net cash requirement		**2,584,299**	**2,809,715**	**225,416**

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

Detailed explanations of the variances between Estimate and outturn are given in the Performance Report.

The notes on pages 133 to 162 form part of these accounts.

Reconciliation of net cash requirement to decrease in cash (Audited)

	Note	2020-21 £000
Net cash requirement	SOAS 3	(2,584,299)
From Consolidated Fund (supply) - current year	SoCFs	2,579,081
From Consolidated Fund (supply) - prior year	SoCFs	2,079
Amounts due to the Consolidated Fund - received in a prior year and paid over	13	(2,714)
Amounts due to the Consolidated Fund - received and not paid over	13	4,157
Decrease in cash	11	**(1,696)**

5.7 SOAS note 4. Amounts of income payable to the Consolidated Fund (Audited)

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund.

SOAS 4.1 Analysis of income payable to the Consolidated Fund (Audited)

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

		Forecast 2020-21		Outturn 2020-21	
Item	**Note**	**Income £000**	**Receipts £000**	**Income £000**	**Receipts £000**
Other operating income and receipts not classified as Accruing Resources		4,602	*4,602*	4,157	*4,157*
	SOAS 5	**4,602**	***4,602***	**4,157**	***4,157***
Total income payable to the Consolidated Fund		**4,602**	***4,602***	**4,157**	***4,157***

SOAS 4.2 Consolidated Fund Income (Audited)

The Department did not collect any amounts where it was acting as agent for the Consolidated Fund rather than as principal.

The notes on pages 133 to 162 form part of these accounts.

5.8 SOAS note 5. Reconciliation of income recorded within the SOCNE to operating income payable to the Consolidated Fund (Audited)

Item	Note	2020-21 £000	2019-20 £000
Operating income	5	20,858	22,301
Gross income		**20,858**	**22,301**
Income authorised to be Accruing Resources	SOAS 1	(16,701)	(19,587)
Operating income payable to the Consolidated Fund	SOAS 4.1	**4,157**	**2,714**

5.9 SOAS note 6. Non-operating income – Excess Accruing Resources (Audited)

There is no non-operating income – excess Accruing Resources (2019-20: £nil).

The notes on pages 133 to 162 form part of these accounts.

5.10 OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURE NOTES

Departmental accounting boundary (Audited)

These accounts have been prepared in accordance with directions given by DoF in pursuance of the Government Resources and Accounts Act (NI) 2001 and relate to the activities of DE and the Exceptional Circumstances Body.

For resource accounts purposes, with the exception of the Exceptional Circumstances Body, all other NDPBs fall outside the Departmental accounting boundary, defined within the *FReM*, and their results are not therefore consolidated with those of the Department. Financial information in respect of the individual NDPBs may be obtained from their separately published annual report and accounts.

The following list represents those bodies for which the Department had direct funding responsibility during this financial year.

Executive NDPBs

Education Authority
Comhairle na Gaelscolaíochta
Council for Catholic Maintained Schools
General Teaching Council for Northern Ireland
Middletown Centre for Autism
Northern Ireland Council for Integrated Education
Northern Ireland Council for the Curriculum, Examinations and Assessment
Youth Council for Northern Ireland

Tribunals

Exceptional Circumstances Body

Other public bodies

Middletown Centre for Autism (Holdings) Limited
Grant Maintained Integrated (GMI) schools*
Voluntary Grammar (VG) schools*

* Note: Other schools, maintained and controlled, are funded via the EA. From the 1 April 2017 the administrative arrangements for the VG/GMI Schools' Funding Authority function transferred from the Department to the EA. During 2018-19 further funding streams for the VG/GMI Schools transferred from the DE to the EA.

The notes on pages 133 to 162 form part of these accounts.

Losses and special payments (Audited)

Losses statement

2020-21 Number of cases	2020-21 £000	2019-20 Number of cases	2019-20 £000
-	**-**	**9**	**10**

No individual cases in 2020-21 or 2019-20 exceeded £250,000.

Special Payments

2020-21 Number of cases	2020-21 £000	2019-20 Number of cases	2019-20 £000
129	**82**	**167**	**55**

No individual cases in 2020-21 or 2019-20 exceeded £250,000.

Other notes

Details of any losses and special payments made by the Department's executive NDPBs will be reported in the accounts of those bodies.

Remote contingent liabilities (Audited)

In addition to contingent liabilities reported within the meaning of International Accounting Standard (IAS) 37, the Department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

In November 2019 a novel strain of coronavirus was detected and spread rapidly, leading the World Health Organisation to declare a pandemic on 11 March 2020. The pandemic caused significant disruption for the 2020-21 reporting period.

The ongoing disruption caused by the pandemic has created significant uncertainty, and this uncertainty is expected to continue throughout 2021.

The notes on pages 133 to 162 form part of these accounts.

During 2020-21 the Department provided a number indemnities which have been reported in confidence to the NI Assembly, in line with the requirements of MPMNI. For each of these indemnities it is not possible to estimate or quantify the value of any potential liability. All parties to the indemnities are expected to take reasonable steps to avoid a liability. In the event that the indemnities are called upon, authority for any expenditure required under the liability will be sought through the normal Estimates and Supply procedure.

The Department has no other contingent liabilities to report for the purpose of NI Assembly reporting and accountability.

Signed:______________________________ **Date: 26 October 2021**

Accounting Officer

The notes on pages 133 to 162 form part of these accounts.

DEPARTMENT OF EDUCATION

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Department of Education for the year ended 31st March 2021 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and interpreted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Department's affairs as at 31st March 2021 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31st March 2021 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department of Education in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department of Education's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Department of Education's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the Department of Education is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Department of Education and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free form material misstatement, whether due to fraud or error;
- assessing the Department of Education's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Department of Education will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Education through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001, the Government Financial Reporting Manual (FReM), Managing Public Money NI and Accounts Directions issued by the Department of Finance.
- making enquires of management and those charged with governance on the Department of Education's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Department of Education's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee

minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;

- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business; and

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB

28th October 2021

DEPARTMENT OF EDUCATION

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2021

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2020-21 £000	2019-20 £000
Other operating income	5	(20,858)	(22,301)
Total operating income		**(20,858)**	**(22,301)**
Staff costs	3.2	29,496	27,553
Purchase of goods and services	3.2	8,822	8,992
Depreciation, amortisation and impairment	3.2	402	74
Provision expense	3.2	(15)	215
Other operating expenditure	3.2	2,564,640	2,288,466
Total operating expenditure		**2,603,345**	**2,325,300**
Net operating expenditure		**2,582,487**	**2,302,999**
Net expenditure for the year		**2,582,487**	**2,302,999**
Other comprehensive net expenditure			
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of property, plant and equipment	6	(175)	(673)
Comprehensive net expenditure for the year		**2,582,312**	**2,302,326**

All income and expenditure are derived from continuing operations.

The notes on pages 133 to 162 form part of these accounts.

DEPARTMENT OF EDUCATION

Statement of Financial Position as at 31 March 2021

This statement presents the financial position of the Department of Education. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2021 £000	2020 £000
Non-current assets:			
Property, plant and equipment	6	46,372	44,834
Intangible assets	7	5,155	3,772
Financial assets	10	815	815
Total non-current assets		**52,342**	**49,421**
Current assets:			
Trade and other receivables	12	10,476	7,068
Cash and cash equivalents	11	-	635
Total current assets		**10,476**	**7,703**
Total assets		**62,818**	**57,124**
Current liabilities:			
Trade and other payables	13	(85,351)	(80,919)
Provisions	14	(117)	(181)
Total current liabilities		**(85,468)**	**(81,100)**
Total assets less current liabilities		**(22,650)**	**(23,976)**
Non-current liabilities:			
Provisions	14	(513)	(484)
Total non-current liabilities		**(513)**	**(484)**
Total assets less total liabilities		**(23,163)**	**(24,460)**
Taxpayers' equity and other reserves:			
General fund		(25,302)	(26,432)
Revaluation reserve		2,139	1,972
Total equity		**(23,163)**	**(24,460)**

Mark Browne

Signed: ______________________________ **Date: 26 October 2021**

Accounting Officer

The notes on pages 133 to 162 form part of these accounts.

DEPARTMENT OF EDUCATION
Statement of Cash Flows
for the year ended 31 March 2021

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery.

	Note	2020-21 £000	2019-20 £000
Cash flows from operating activities			
Net expenditure for the year	SOAS 2	(2,582,487)	(2,302,999)
Adjustments for non-cash transactions	3.1	3,854	3,862
Increase in trade and other receivables	12	(3,408)	(1,996)
movements in receivables relating to items not passing through the statement of comprehensive net expenditure	12	3,139	345
Increase in trade and other payables excluding bank overdraft	13	3,371	4,547
movements in payables relating to items not passing through the statement of comprehensive net expenditure	13	102	(2,591)
Use of provisions	14	(20)	(25)
Net cash outflow from operating activities		**(2,575,449)**	**(2,298,857)**
Cash flows from investing activities			
Purchase of non-financial assets - property, plant and equipment		(2,404)	(4,704)
Purchase of non-financial assets - intangible assets		(2,289)	(2,405)
Net cash outflow from investing activities		**(4,693)**	**(7,109)**
Cash flows from financing activities			
From the Consolidated Fund (supply) – current year		2,579,081	2,306,678
From the Consolidated Fund (supply) – prior year	12	2,079	1,734
Net financing		**2,581,160**	**2,308,412**
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**1,018**	**2,446**
Payments of amounts due to the Consolidated Fund		(2,714)	(1,478)
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	11	**(1,696)**	**968**
Cash and cash equivalents at the beginning of the period	11	**635**	**(333)**
Cash and cash equivalents at the end of the period	11	**(1,061)**	**635**

The notes on pages 133 to 162 form part of these accounts.

DEPARTMENT OF EDUCATION

Statement of Changes in Taxpayers' Equity
for the year ended 31 March 2021

This statement shows the movement in the year on the different reserves held by the Department, analysed into "general fund reserves" (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation reserve (property, plant & equipment) £000	Revaluation reserve (intangible assets) £000	Taxpayers' equity £000
Balance at 31 March 2019		(33,051)	1,301	-	(31,750)
Net Assembly funding – drawn down		2,306,678	-	-	2,306,678
Supply receivable adjustment	12	2,079	-	-	2,079
CFERs payable to the Consolidated Fund		(2,714)	-	-	(2,714)
Comprehensive expenditure for the year		(2,302,999)	673	-	(2,302,326)
Non-cash charges – accommodation and other charges	3, 3.1	3,509	-	-	3,509
Non-cash charges – auditor's remuneration and expenses	3, 3.1	64	-	-	64
Transfers between reserves		2	(2)	-	-
Balance at 31 March 2020		**(26,432)**	**1,972**	**-**	**(24,460)**
Net Assembly funding – drawn down		2,579,081	-	-	2,579,081
Supply receivable adjustment	12	5,218	-	-	5,218
CFERs payable to the Consolidated Fund	SOAS 4.1	(4,157)	-	-	(4,157)
Comprehensive expenditure for the year	SOAS 2	(2,582,487)	175	-	(2,582,312)
Non-cash charges – accommodation and other charges	3, 3.1	3,402	-	-	3,402
Non-cash charges – auditor's remuneration and expenses	3, 3.1	65	-	-	65
Transfers between reserves		8	(8)	-	-
Balance at 31 March 2021		**(25,302)**	**2,139**	**-**	**(23,163)**

The notes on pages 133 to 162 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2020-21 *Government FReM* issued by the DoF. The accounting policies contained in the *FReM* apply IFRS as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the DE for the purpose of giving a true and fair view has been selected. The particular accounting policies adopted by the DE are described below. They have been applied consistently in dealing with items considered material to the accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires the Department to prepare one additional primary statement. The SOAS and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

In accordance with the *FReM*, the Department is not able to accrue funding due from the Consolidated Fund in respect of Assembly Grant to match net liabilities recorded within the statement of financial position. Under IAS 1 (revised), *Presentation of Financial Statements*, such a closing financial position which shows a surplus of liabilities over assets requires the Accounting Officer to make an assessment of the viability of the Department as a going concern. These accounts have been prepared under the going concern principle.

1.1 Accounting convention

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

1.2 Basis of consolidation

These accounts comprise a consolidation of the Department (the Core Department), and the Exceptional Circumstances Body which falls within the Departmental boundary as defined in the *FReM*, interpreted for NI. Transactions between entities included in the consolidation are eliminated.

As the results of the Core Department are not materially different from those of the Consolidated Department, the results of the Exceptional Circumstances Body have not been separately disclosed on the SOCNE, Statement of Financial Position and supporting notes.

A list of all those entities within the Departmental boundary is given at note 20.

1.3 Property, plant and equipment

On initial recognition property, plant and equipment are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Subsequent expenditure on an asset, that meets the criteria in compliance with IAS 16, *Property, Plant and Equipment*, is capitalised, otherwise it is written off to revenue.

At each annual reporting date, property, plant and equipment are stated at fair value, determined as follows:

- Land and Buildings

  Title to land and buildings shown in the accounts is held by the Department. Land and buildings are stated at current value in existing use. Land is valued in the year of purchase and buildings in the year in which they are brought into use, using a professional valuation provided by LPS, a directorate within DoF, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards incorporating the International Valuation Standards, published in association with the Institute of Revenues Rating and Valuation. Subsequently, a full professional valuation is made by LPS every five years and in the intervening years interim valuations are obtained from LPS. The basis of the valuation for each of the property types is as follows:

PROPERTY TYPE	***ASSET CATEGORY***	***BASIS/METHOD OF VALUATION***
School buildings & other associated structures	Land & buildings, owner occupied for the purposes of the undertaking **Specialised: operational**	**Current Value in existing use** ***Depreciated Replacement Cost***
Land supporting existing school buildings	Lands owner occupied for the purposes of the undertaking **Non-Specialised: operational**	**Current Value in existing use** ***Existing Use Value (as defined by RICS UK VS 1.3)***
Land for ongoing and future development of school campus	Lands owner occupied for the purposes of the undertaking **Non-Specialised non-operational**	**Current Value in existing use** ***Existing Use Value (as defined by RICS UK VS 1.3)***

- Assets under construction are carried at cost.

- Other assets

  With the exception of land and buildings, fair value is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

  The minimum level for capitalisation is £1,000. PCs (including laptops) and network equipment are grouped for all assets utilised in connection with the Departmental Local Area Network.

Revaluations below historic cost which are not temporary fluctuations in market value are treated as an impairment in accordance with IAS 36, *Impairment of Assets*, and charged in full to the SOCNE.

Impairment reviews of property, plant and equipment are performed annually and additionally where there is an indication of impairment as defined by IAS 36.

1.4 Depreciation

Depreciation of property, plant and equipment is provided on a straight-line basis by reference to current values and to the remaining economic useful lives of assets and their estimated residual value. Freehold land and assets under construction are not depreciated.

Asset lives are reviewed annually and are normally within the following ranges:

Buildings	50 years
Transport equipment	3 to 5 years
Information technology	3 to 10 years
Plant and machinery	3 to 5 years

1.5 Intangible assets

Software and associated licences are capitalised as intangible assets where expenditure of £1,000 or more is incurred on the purchase of an individual or grouped asset.

Assets under construction are carried at cost. Other intangible assets are measured at depreciated replacement cost using suitable indices compiled by the ONS.

Assets under construction are not amortised. Software licences are amortised over the shorter of the term of the licence and their useful economic life. Other intangible assets are amortised over three to ten years.

1.6 Assets funded by government grants

Government grants to fund capital assets are recognised in the SOCNE as income. They are recognised when receivable unless there are conditions on their use which, if not met, would mean the grant is repayable. In such cases, the income is deferred and released when the obligations are met. Where grants have restricted use and there are no conditions on their use, the income is recognised immediately as income in the SOCNE.

1.7 Investments

In 2004-05 the Department invested in the ''MCA (Holdings) Limited'', which is a company registered in NI and limited by guarantee. The Company is a joint venture between the DE in NI and the Department of Education, Ireland, developed under the 1998 Good Friday Agreement as an agreed area of co-operation within the North South Ministerial Council, and is funded equally by each department.

The primary object of the company is to purchase, acquire and hold the property located at Middletown, Co Armagh, NI for the purpose of supporting the promotion of excellence throughout NI and Ireland in the development and harmonisation of education and allied services to children and young people with autistic spectrum disorders.

A Board of Directors comprising four members monitors the effectiveness and management of the company. The DE in NI and the Department of Education, Ireland each nominate two members to the Board.

The investment falls outside the Departmental accounting boundary and in accordance with paragraph 9 of FD (DoF) 01/21 has been valued at historical cost less impairment within the Department's Statement of Financial Position.

1.8 Inventories

Inventories are not deemed to be material, and are expensed to the SOCNE as purchased.

1.9 Other operating income

Other operating income is income which relates directly to the operating activities of the Department. It includes funding from the DfE for co-funded NDPBs and other income such as that from the sale of property, plant and equipment by NDPBs. It includes both operating Accruing Resources and income payable to the Consolidated Fund which in accordance with the *FReM* is treated as operating income. Other operating income is stated net of Value Added Tax (VAT).

1.10 Administration and programme expenditure

The classification of expenditure and income as administration or as programme follows the definition of administration costs set by DoF. Administration costs reflect the costs of running the Department. These include both administrative costs and associated operating income. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Department, as well as certain staff costs where they relate directly to service delivery.

1.11 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction. Monetary assets and liabilities denominated in foreign currency at the reporting period date are translated at the rates ruling at that date. These translation differences are dealt with in the SOCNE.

1.12 Employee Benefits including Pensions

Under the requirements of IAS 19, *Employee Benefits*, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated using untaken annual leave balances from the payroll system and untaken flexi-leave balances from the results of a survey. It is not anticipated that the level of untaken flexi-leave will vary significantly from year to year.

Past and present employees are covered by the provisions of the NICS Pension arrangements. The defined benefit schemes are multi-employer unfunded schemes, which produce their own resource accounts. The DE is unable to identify its share of the underlying assets and liabilities. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the NICS Pension arrangements of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the NICS Pension arrangements. In respect of the defined contribution schemes, the Department recognises the contributions payable for the year.

1.13 Early departure costs

DE employees

The Department meets the additional cost of benefits beyond the normal NICS Pension arrangements in respect of employees who retire early by paying the required amounts annually to the NICS Pension arrangements over the period between early departure and normal retirement date (or, in the case of Injury Awards, between early departure and estimated life expectancy). The Department provides in full for the cost of meeting pensions up to normal retirement age in respect of early retirement programmes announced in current or previous years or, to the estimated life expectancy in respect of Injury Awards. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the DoF Superannuation Vote. The amount provided is shown net of any such payments.

Teachers

The Teachers' Premature Retirement Compensation Scheme for NI recovers compensation costs via increased employer contributions. Compensation costs fall within the remit of the scheme and are therefore not included as a cost within the Department's accounts.

1.14 Leases

All leases are regarded as operating leases and the rentals are charged to the SOCNE on a straight-line basis over the term of the lease.

1.15 Grants payable

In line with the *FReM*, the Department recognises grant on the basis of the underlying activity of the recipient as follows:

- The extent of the grant liability in relation to the EA and other NDPBs for both recurrent and capital expenditure is equal to their expenditure to the extent that the latter has been properly incurred. Expenditure in this context is when the EA/NDPBs make the payments which are due to be funded by the Department. This is equivalent to grant issued by the Department.

- Grants issued to VG and GMI schools in respect of recurrent funding each year reflects the totality of the schools' entitlements under the Local Management of Schools' arrangements.

- Grants issued to voluntary maintained, VG and GMI schools in respect of capital project funding is recognised based on the payments actually made plus accruals for valid grant claims in the possession of the Department.

- Other grant payments are recognised on an accruals basis where such information is available or on the basis of the extent of the grant issued or approved for payment as at 31 March each year.

1.16 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the reporting period date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

1.17 Contingent liabilities

In accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, the Department discloses as contingent liabilities, potential future obligations arising from past obligating events where the existence of such obligations remain uncertain pending the outcome of future events outside the Department's control, unless their likelihood is considered to be remote.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of *Managing Public Money Northern Ireland*.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.18 Value Added Tax (VAT)

Most of the activities of the Department are outside the scope of VAT and in general output tax does not apply, however input tax on expenditure is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial instrument is recognised when, and only when, the entity becomes a party to the contractual provisions of the instrument. A previously recognised financial asset is derecognised when, and only when, either the contractual rights to the cash flows from that asset expire, or the entity transfers the asset such that the transfer qualified for de-recognition. A financial liability is derecognised when, and only when, it is extinguished.

The Department has financial instruments in the form of an investment in the MCA (Holdings) Limited, trade receivables and payables and cash and cash equivalents.

The investment in the MCA (Holdings) Limited is classified as "held to maturity" and trade receivables, cash and cash equivalents and trade payables are classified as "loans and receivables". The investment held to maturity is measured at historical cost less any impairment. Loans and receivables are recognised and carried at fair value. Financial liabilities are recognised and carried at fair value, net of transaction costs.

The Department assesses at each reporting period date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired.

The Department measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are assessed individually for financial assets that are individually significant and individually or collectively for assets that are not individually significant. In making collective assessment of impairment, financial assets are grouped into portfolios on the basis of similar risk characteristics. Future cash flows from these portfolios are estimated on the basis of the contractual cash flows and historical loss experience for assets with similar risk characteristics.

Impairment losses are recognised in the SOCNE and the carrying amount of the financial asset or group of financial assets reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

When a financial asset is deemed unrecoverable the amount of the asset is reduced directly and the impairment loss is recognised in the SOCNE to the extent that a provision was not previously recognised.

1.20 Third party assets

Third party assets are assets for which the Department acts as custodian or trustee but in which neither the Department nor government more generally has a direct beneficial interest. Third party assets are not public assets, and hence are not recorded in the primary financial statements. In the interests of general disclosure and transparency, details of the Department's third party assets are provided in note 19.

1.21 Currency and rounding

The functional currency is Sterling and, except where otherwise stated, for presentational purposes figures have been rounded to the nearest thousand pounds.

1.22 New accounting standards that have been issued but are not yet effective

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early for these accounts. Management consider that these are unlikely to have a significant impact on the accounts in the period of initial application.

IFRS 10, IFRS 11 & IFRS 12 *Group Accounting Standards*

The International Accounting Standard Board (IASB) issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014.

Accounting boundary IFRS are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2022-23, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may have changed as a result of the new Standards.

IFRS 16 *Leases*

IFRS 16 Leases replaces IAS 17 Leases and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2022. IFRS 16 provides a single lessee accounting model and requires a lessee to recognise assets and liabilities for leases with a term greater than 12 months, excluding those where the associated right-of-use asset is of low value, largely eliminating the current "off-balance sheet" treatment of operating leases under IAS 17. As disclosed in note 16.2 the Department has leased Arvalee School (on the SSEC) to the EA for a peppercorn rent. The Department has assessed the impact that the application of IFRS 16 will have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the statement of financial position at that date, and has judged that it is immaterial.

IFRS 17 *Insurance Contracts*

IFRS 17 *Insurance Contracts* will replace IFRS 4 *Insurance Contracts* and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2023. The Department has assessed the impact that the application of IFRS 17 will have and has judged that it is immaterial.

2. Statement of Operating Costs by Operating Segment

Operating segments have been identified on the basis of the financial information reported to the Departmental Board. The financial information reported to the Departmental Board represents Departmental expenditure and resource consumption of the Department's NDPBs. The financial information reported to the Departmental Board focused on the following areas:

Aggregated Schools Budget - the main allocations to schools funded via the Common Funding Formula;

Education Authority Block Grant – funding allocated to schools from central budgets held by the EA (including: Special Schools; Special Education Needs in mainstream; C2k managed ICT service; rates; and teacher substitution costs); and funding attributed to schools for services provided by the EA (including: transport; FSM; headquarters; pupil support; schools development service; music service; and school library service);

Earmarked budgets - funding allocated for specific activities which meet defined criteria;

Other NDPBs - the Department is supported by CnaG, the CCMS, the GTCNI, the MCA, the NICIE and the Northern Ireland CCEA;

Other Education Services – a range of services, including miscellaneous grants to third party organisations;

Early Years Provision – some specific early years programmes, including the Sure Start Programme and the Pathway Fund;

Youth and Community Relations - resource funding for youth services;

Department of Education costs - salary and administration costs for the Department;

Voluntary Exit Scheme – voluntary redundancy costs across the education sector as part of the Department's Strategic Cost Reduction Programme; and

Capital grants and Departmental capital - capital programmes including Major Works, the Schools' Enhancement Programme, the Fresh Start Programme, Minor Works schemes, youth capital projects and Departmental non-current assets.

Operating Segments	2020-21 Gross expenditure £000	2020-21 Income £000	2020-21 Net expenditure £000
Aggregated Schools Budget**	1,356,336	-	1,356,336
Education Authority Block Grant**	724,938	-	724,938
Earmarked budgets**	287,545	(15,855)	271,690
Other NDPBs	24,653	-	24,653
Other Education Services	39,507	-	39,507
Early Years Provision	30,946	-	30,946
Youth and Community Relations	37,689	-	37,689
Department of Education costs	33,058	(92)	32,966
Total resource	**2,534,672**	**(15,947)**	**2,518,725**
Capital grants and Departmental capital	67,967	(754)	67,213
Total resource and capital*	**2,602,639**	**(16,701)**	**2,585,938**

Operating Segments	2019-20 Gross expenditure £000	2019-20 Income £000	2019-20 Net expenditure £000
Aggregated Schools Budget**	1,195,700	-	1,195,700
Education Authority Block Grant**	697,491	-	697,491
Earmarked budgets**	135,915	(18,836)	117,079
Other NDPBs	26,660	-	26,660
Other Education Services	7,199	-	7,199
Early Years Provision	29,003	-	29,003
Youth and Community Relations	35,399	-	35,399
Department of Education costs	31,063	(84)	30,979
Voluntary Exit Scheme	8,725	-	8,725
Total resource	**2,167,155**	**(18,920)**	**2,148,235**
Capital grants and Departmental capital	162,747	(667)	162,080
Total resource and capital*	**2,329,902**	**(19,587)**	**2,310,315**

*****The expenditure position reported above includes the cash grant in aid and not the resource and capital outturn reported to the Departmental Board.

**The expenditure position which is based on the cash grant in aid for Aggregated Schools Budget, EA Block Grant and Earmarked budgets has been apportioned using the percentage spend reported by the EA for outturn.

The total assets, total liabilities and net assets are not disclosed as they are not reported separately to the Departmental Board.

2.1 Reconciliation between Operating Segments and the Statement of Comprehensive Net Expenditure

	Note	2020-21 £000	2019-20 £000
Total net expenditure reported for operating segments	2	2,585,938	2,310,315
Reconciling items:			
AME – impairments	4	-	(140)
AME – provisions	3.1	(15)	215
Operating income payable to the Consolidated Fund	SOAS 2	(4,157)	(2,714)
Depreciation and amortisation	3.1	402	214
Notional charges	3.1	3,467	3,573
Departmental capital	6, 7	(3,148)	(8,464)
Total net expenditure per the statement of comprehensive net expenditure	**SOCNE**	**2,582,487**	**2,302,999**

3. Other administration costs

	Note	2020-21 £000	2019-20 £000
Staff costs*			
Wages and salaries		11,171	10,273
Social security costs		1,074	976
Other pension costs		2,985	2,732
		15,230	13,981
Purchase of goods and services			
Rentals under operating leases		-	3
Travel and subsistence		9	67
Other staff related costs		67	81
Accommodation costs		170	199
Office services		382	251
Contracted out services		680	665
Other professional fees		2	7
Managed services – information technology		28	30
Other expenses		134	97
		1,472	1,400
Non-cash items (Note 3.1)			
Depreciation		3	6
Notional charges			
- auditor's remuneration and expenses		65	64
- accommodation		1,265	1,369
- others		2,089	2,128
		3,419	3,561
Increase in provisions (provision provided for in year less any release)	14	60	72
Total		**20,184**	**19,020**

***Further analysis of staff costs is located in the Staff Report within the Accountability Report.

During the year the Department paid £6,010.00 to its auditor, the NIAO, for the completion of non-audit work relating to the National Fraud Initiative.

3.1 Non-cash transactions included in the reconciliation of resources to net cash requirement in SOAS note 3 and the Statement of Cash Flows

	2020-21 £000	2019-20 £000
Depreciation (Note 3)	3	6
Depreciation, amortisation and revaluation (Note 4)	399	68
	402	74
New provisions, and adjustments to previous provisions (Note 3)	60	72
New provisions, and adjustments to previous provisions (Note 4)	(75)	143
	(15)	215
Other non-cash items		
Notional charges (Note 3)	3,419	3,561
Notional Minister's salary	48	12
	3,467	3,573
Total non-cash transactions (SOAS 3 and Statement of Cash Flows)	**3,854**	**3,862**

3.2 Analysis of notes 3 and 4 for the Statement of Comprehensive Expenditure

	Other administration costs (Note 3) £000	Programme costs (Note 4) £000	2020-21 £000	2019-20 £000
Staff costs	15,230	14,266	29,496	27,553
Purchase of goods and services (including notional charges)	4,891	3,931	8,822	8,992
Depreciation, amortisation and revaluation	3	399	402	74
Provision expense	60	(75)	(15)	215
Other operating expenditure	-	2,564,640	2,564,640	2,288,466
	20,184	**2,583,161**	**2,603,345**	**2,325,300**

4. Programme costs

	Note	2020-21 £000	2019-20 £000
Staff costs*			
Wages and salaries		10,275	9,690
Social security costs		1,044	1,004
Other pension costs		2,947	2,878
		14,266	13,572
Other operating expenditure			
Grants		2,563,419	2,285,036
EU Grant		1,221	3,430
		2,564,640	2,288,466
Purchase of goods and services			
Travel and subsistence		34	276
Other staff related costs		91	85
Accommodation costs		138	164
Office services		1,720	1,880
Contracted out services		39	54
Other expenses		1,909	1,572
		3,931	4,031
Non-cash items (Note 3.1)			
Depreciation		217	207
Amortisation		182	1
Revaluation		-	(140)
		399	68
Increase in provisions (provision provided for in year less any release)	14	(75)	143
Total		**2,583,161**	**2,306,280**

*Further analysis of staff costs is located in the Staff Report within the Accountability Report.

5. Other operating income

	2020-21 Total £000	2019-20 Total £000
Co-funded ALB income (Further Education and Student Support (from DfE)	13,554	13,446
Shared Education (from Atlantic Philanthropies)	145	1,152
European Union Programme for Peace and Reconciliation	1,038	2,915
Sale of property, plant and equipment (NDPBs)	4,078	2,662
Vulnerable Persons Relocation Scheme	1,118	1,323
Other income	925	803
	20,858	**22,301**

6. Property, plant and equipment

	Land £000	Buildings £000	Transport equipment £000	Information technology £000	Plant and machinery £000	Asset under construction £000	2020-21 Total £000
Cost or valuation							
At 1 April 2020	7,560	9,684	28	92	84	27,567	45,015
Additions	-	-	-	10	-	1,573	1,583
Disposals	-	-	-	(8)	(3)	-	(11)
Revaluations	164	(198)	-	-	-	-	(34)
At 31 March 2021	**7,724**	**9,486**	**28**	**94**	**81**	**29,140**	**46,553**
Depreciation							
At 1 April 2020	-	-	28	77	76	-	181
Charged in year	-	209	-	9	2	-	220
Disposals	-	-	-	(8)	(3)	-	(11)
Revaluations	-	(209)	-	-	-	-	(209)
At 31 March 2021	**-**	**-**	**28**	**78**	**75**	**-**	**181**
Carrying amount at 31 March 2021	**7,724**	**9,486**	**-**	**16**	**6**	**29,140**	**46,372**
Carrying amount at 31 March 2020	**7,560**	**9,684**	**-**	**15**	**8**	**27,567**	**44,834**
Asset financing							
Owned	7,724	9,486	-	16	6	29,140	46,372
Carrying amount at 31 March 2021	**7,724**	**9,486**	**-**	**16**	**6**	**29,140**	**46,372**

Land comprises a site at Strule (formerly Lisanelly), Omagh, which was transferred from the Ministry of Defence to the DE on 15 April 2011. This land was “gifted” under the Hillsborough Agreement 2010, made 5 February 2010. The Department also owns land at Ormeau Road, Belfast which was purchased in July 2015 and January 2020. Buildings relate to the SSEC.

Land and buildings are stated at current value in existing use. Land is valued in the year of purchase and buildings in the year in which they are brought into use, using a professional valuation provided by LPS, a directorate within DoF. Subsequently, a professional valuation is made by LPS every five years and in the intervening years interim valuations are obtained from LPS. The last full professional valuation of the land and buildings was undertaken by LPS as at 31 March 2018. All other assets are re-valued using indices.

The most recent LPS Valuation Report dated 31 March 2021 stated that the outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11 March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. LPS advised that as at the valuation date it continued to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base judgements. The LPS valuation of the Department's portfolio is therefore reported as being subject to "material valuation uncertainty" as set out in Valuation technical and Performance Standard 3 and Valuation Practice Guidance Application 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations, less certainty and increased subjectivity – and a higher degree of caution – should be attached to the valuation figures than would normally be the case. Given the unknown future impact that COVID-19 might have on both the global and local real estate markets, these valuations will be kept under frequent review.

	Land £000	Buildings £000	Transport equipment £000	Information technology £000	Plant and machinery £000	Asset under construction £000	2019-20 Total £000
Cost or valuation							
At 1 April 2019	6,972	9,461	28	95	83	22,593	39,232
Additions	200	(2)	-	-	-	4,974	5,172
Disposals	-	-	-	(3)	-	-	(3)
Revaluation credit to SOCNE	-	74	-	-	-	-	74
Revaluations	388	151	-	-	1	-	540
At 31 March 2020	**7,560**	**9,684**	**28**	**92**	**84**	**27,567**	**45,015**
Depreciation							
At 1 April 2019	-	-	27	71	72	-	170
Charged in year	-	199	1	9	4	-	213
Disposals	-	-	-	(3)	-	-	(3)
Revaluation credit to SOCNE	-	(66)	-	-	-	-	(66)
Revaluations	-	(133)	-	-	-	-	(133)
At 31 March 2020	**-**	**-**	**28**	**77**	**76**	**-**	**181**
Carrying amount at 31 March 2020	**7,560**	**9,684**	**-**	**15**	**8**	**27,567**	**44,834**
Carrying amount at 31 March 2019	**6,972**	**9,461**	**1**	**24**	**11**	**22,593**	**39,062**
Asset financing							
Owned	7,560	9,684	-	15	8	27,567	44,834
Carrying amount at 31 March 2020	**7,560**	**9,684**	**-**	**15**	**8**	**27,567**	**44,834**

7. Intangible assets

	Information technology £000	Software licences £000	Asset under construction £000	2020-21 Total £000
Cost or valuation				
At 1 April 2020	1,363	16	3,772	5,151
Additions	147	-	1,418	1,565
Disposals	(503)	(1)	-	(504)
Reclassifications	4,205	-	(4,205)	-
At 31 March 2021	**5,212**	**15**	**985**	**6,212**
Amortisation				
At 1 April 2020	1,363	16	-	1,379
Charged in year	182	-	-	182
Disposals	(503)	(1)	-	(504)
At 31 March 2021	**1,042**	**15**	**-**	**1,057**
Carrying amount at 31 March 2021	**4,170**	**-**	**985**	**5,155**
Carrying amount at 31 March 2020	**-**	**-**	**3,772**	**3,772**
Asset financing				
Owned	4,170	-	985	5,155
Carrying amount at 31 March 2021	**4,170**	**-**	**985**	**5,155**

	Information technology £000	Software licences £000	Asset under construction £000	2019-20 Total £000
Cost or valuation				
At 1 April 2019	1,351	17	480	1,848
Additions	-	-	3,292	3,292
Disposals	(6)	(1)	-	(7)
Revaluations	18	-	-	18
At 31 March 2020	**1,363**	**16**	**3,772**	**5,151**
Amortisation				
At 1 April 2019	1,350	17	-	1,367
Charged in year	1	-	-	1
Disposals	(6)	(1)	-	(7)
Revaluations	18	-	-	18
At 31 March 2020	**1,363**	**16**	**-**	**1,379**
Carrying amount at 31 March 2020	**-**	**-**	**3,772**	**3,772**
Carrying amount at 31 March 2019	**1**	**-**	**480**	**481**
Asset financing				
Owned	-	-	3,772	3,772
Carrying amount at 31 March 2020	**-**	**-**	**3,772**	**3,772**

8. Impairments

The Department has incurred the following impairments to current and non-current assets during the financial year.

	Impairment taken through the revaluation reserve £000	Impairment (credit)/charge to the Statement of Comprehensive Net Expenditure £000
Trade receivables bad debt provision	-	(19)
Property, plant and equipment	-	-
Intangible assets	-	-
Impairment (credit)/charge for the year ended 31 March 2021	**-**	**(19)**
Impairment (credit)/charge for the year ended 31 March 2020	**-**	**(106)**

9 Financial Instruments

IFRS 7, *Financial Instruments: Disclosures*, requires disclosure that enables evaluation of the significance of financial instruments for the Department's financial position and performance, the nature and extent of risks arising from financial instruments to which the Department is exposed during the period and at the reporting date, and how the Department manages those risks. As a result of the non-trading nature of its activities and the way in which Government Departments are financed, the Department is not exposed to the degree of financial risk faced by business entities.

Classification of financial instruments

The Department's investments are measured at historical cost less any impairment, while all other financial instruments are measured at fair value. The Department's financial assets include investments which are classified as held to maturity, trade and other receivables and cash and cash equivalents which are classified as loans and receivables. The Department's financial liabilities are classified as loans and receivables and comprise payables and accruals, excluding tax liabilities. The carrying value of these financial assets and liabilities, as disclosed in the notes to the accounts, approximates to fair value because of their short maturities.

The following table shows the net gains/losses recognised through the SOCNE by measurement category:

		From subsequent measurement			Net (gain)/ loss	Net (gain)/ loss
	From interest £000	At fair value £000	Currency translation £000	Impairment /(reversal of impairment) £000	2020-21 £000	2019-20 £000
Held to maturity	-	-	-	-	-	-
Loans and receivables	-	-	-	(19)	(19)	34
Total	**-**	**-**	**-**	**(19)**	**(19)**	**34**

Risk management

Financial risks include credit risk, liquidity risk and market risks (interest rate and currency).

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Department is not exposed to significant credit risk and manages its exposure via credit risk management policies which require review of the credit history of the organisations that the Department wishes to trade with. Publicly available credit information from recognised providers is utilised for this purpose where available. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulties in paying its financial liabilities. The Department's net revenue resource requirements are financed by resources voted annually by the NI Assembly, as is its capital expenditure. The Department is not, therefore, exposed to significant liquidity risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Department is therefore not exposed to any interest rate risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Department receives reimbursement of certain grant payments from the EU. Transactions with the EU are denominated in euro and therefore exposed to currency risk. The revenue due from the EU is recognised as a receivable when it is initially paid to grant recipients. However, only when the Department submits claims to the EU is the relevant portion of the receivable subject to exchange rate risk.

The Department does not have the authority to manage currency risk through hedging.

10 Investments in other public bodies

	Middletown Centre for Autism (Holdings) Limited £000
At 1 April 2019, 31 March 2020 and 31 March 2021	**815**

In the year to 31 March 2005 the Department invested in the "MCA (Holdings) Limited" as a joint venture with the Department of Education, Ireland. Both parties fund the company equally.

The investment falls outside the Departmental accounting boundary and in accordance with paragraph 9 of FD (DoF) 01/21 has been valued at historical cost less impairment, within the Department's Statement of Financial Position.

11 Cash and cash equivalents

	2020-21 £000	2019-20 £000
At 1 April 2020	635	(333)
Net change in cash and cash equivalents	(1,696)	968
At 31 March 2021	**(1,061)**	**635**
The following balances at 31 March were held at:		
Commercial banks and cash in hand	(1,061)	635
At 31 March 2021	**(1,061)**	**635**
The balance comprises:		
Cash at bank	-	635
Bank overdraft	(1,061)	-
	(1,061)	**635**

11.1 Reconciliation of liabilities arising from financing activities

There are no liabilities arising from financing activities at 31 March 2021 and 31 March 2020.

12 Trade receivables, financial and other assets

	2020-21 £000	2019-20 £000
Amounts falling due within one year:		
VAT	226	205
EU grants receivable	3,306	3,538
Trade receivables	317	202
Other receivables	129	101
Prepayments	526	82
Accrued income	754	861
Amounts due from the Consolidated Fund in respect of Supply	5,218	2,079
	10,476	**7,068**

Included within accrued income is £nil (2019-20: £nil) that will be due to the Consolidated Fund once the debt is collected.

There are no amounts falling due after more than one year at 31 March 2021 and 31 March 2020.

The following table shows the impairment of trade receivables through the bad debt provision account at the reporting period date:

	2020-21 £000	2019-20 £000
At 1 April 2020	109	75
Impairment losses recognised on trade receivables	-	34
Reversal of impairment losses recognised on trade receivables	(19)	-
At 31 March 2021	**90**	**109**

In determining the recoverability of a trade receivable, the Department considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

No interest is charged on the trade receivables. The Department has provided for trade receivables over six months old where there have been no cash receipts in the six months prior to the year end because historical experience is such that trade receivables that are past due beyond six months are generally not recoverable. The following table shows the ageing of receivables past due but not impaired; no provision has been made as there has not been a significant change in credit quality and the Department believes that the amounts are still fully recoverable:

	2020-21 £000	2019-20 £000
Neither past due nor impaired trade receivables		
Less than 1 month	98	14
1 to 3 months	54	26
3 to 6 months	50	48
Past due but not impaired trade receivables	115	114
Impaired trade receivables	90	109
Gross carrying value	**407**	**311**
Less: impairment	(90)	(109)
Net carrying value	**317**	**202**

13 Trade payables and other current liabilities

	2020-21 £000	2019-20 £000
Amounts falling due within one year:		
Bank overdraft (Note 11)	1,061	-
Other taxation and social security	18,154	16,545
Trade payables	50,890	52,614
Other payables	1,131	997
Accruals	8,487	7,208
Deferred income	1,471	841
Consolidated Fund extra receipts due to be paid to the Consolidated Fund		
- received	4,157	2,714
	85,351	**80,919**

There are no amounts falling due after more than one year at 31 March 2021 or 31 March 2020.

14 Provisions for liabilities and charges

	Early departure costs £000	Legal Claims £000	Total £000
At 1 April 2020	505	160	665
Provided in the year	-	20	20
Provisions not required written back	-	(84)	(84)
Provisions utilised in the year	(20)	-	(20)
Change in discount rate	49	-	49
At 31 March 2021	**534**	**96**	**630**
Analysis of expected timing of cash flows			
Not later than one year	21	96	117
Later than one year and not later than five years	82	-	82
Later than five years	431	-	431
At 31 March 2021	**534**	**96**	**630**

	Early departure costs £000	Legal Claims £000	Total £000
At 1 April 2019	450	25	475
Provided in the year	-	160	160
Provisions not required written back	-	(20)	(20)
Provisions utilised in the year	(20)	(5)	(25)
Change in discount rate	75	-	75
At 31 March 2020	**505**	**160**	**665**
Analysis of expected timing of cash flows			
Not later than one year	21	160	181
Later than one year and not later than five years	85	-	85
Later than five years	399	-	399
At 31 March 2020	**505**	**160**	**665**

14.1 Early departure costs

The Department is required to meet the costs of paying the pensions of employees who retire early, from the date of their retirement until they reach normal pensionable age (or, in the case of Injury Awards estimated life expectancy), and must provide in full for the cost of meeting pensions resulting from such early retirement schemes. The Department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the DoF Superannuation Vote. The Treasury discount rate of minus 0.95 per cent in real terms has been applied to early departure provisions where the time value of money is significant.

14.2 Legal claims

Provision has been made for various legal claims against the Department. The provision reflects all known claims where legal advice indicates that it is more than 50% probable that the claim will be successful and the amount of the claim can be reliably estimated. A discount rate has not been applied to the provisions for legal claims as the time value of money is not significant.

Legal claims which may succeed but are less likely to do so or cannot be estimated reliably are disclosed as contingent liabilities in note 15.

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for the 23 and 24 June 2021 but this has subsequently been adjourned. The 2020-21 Holiday Pay provision has been estimated by NICS HR and covers the period from November 1998 to 31 March 2020. There are still some very significant elements of uncertainty around this estimate for a number of reasons:

- The appeal to the Supreme Court (as detailed above);
- Lack of accessible data for years previous to 2011;
- Ongoing negotiations with Trade Unions; and
- The provision includes a pension element which is based on formulae provided by the GAD with a variable capitalisation factor (CF). The CF used for these calculations is 12 which is based on the commutation value currently used in public sector pensions. This figure is subject to change as the calculation has not been agreed with Trade Unions.

15 Contingent liabilities and contingent assets

15.1 Contingent liabilities

The Department has contingent liabilities estimated at £466k for 5 legal challenges.

In addition to the above, the Department has entered into a number of guarantees, indemnities or provided letters of comfort, but the possibility of these crystallising is considered to be too remote to require disclosure. Remote contingent liabilities which the Department has reported to the Assembly are disclosed within the Other Assembly Accountability Disclosures section of the Assembly Accountability and Audit Report.

15.2 Contingent assets

The following contingent assets at 31 March 2021 have not been included in the financial statements:

	Number of cases	**Value £000**
Probable recoupment of monies from school trustees following closure	21	5,020

16 Commitments under leases (IAS 17 disclosures)

16.1 Finance leases

The Department does not have any finance leases.

16.2 Operating leases

£nil (2019-20: £3,000) was included as an expense on operating leases in the SOCNE.

At the 31 March 2021 there were no future liabilities under operating leases.

The Department has leased Arvalee School (on the SSEC) to the EA for a peppercorn rent.

17 Capital and other commitments

17.1 Capital commitments

	2021 £000	**2020 £000**
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, plant and equipment	1,029	633
Intangible assets	833	1,053
	1,862	**1,686**

17.2 Other financial commitments

The Department has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts or service concession arrangements), for the provision of security, facilities management, evaluation and other services.

The payments to which the Department is committed at 31 March are as follows:

	2021 £000	**2020 £000**
Not later than one year	1,180	1,294
Later than one year and not later than five years	1,948	1,976
Later than five years	588	728
	3,716	**3,998**

18 Related-party transactions

The following list represents those bodies for which the Department had direct funding responsibility during this financial year. These bodies are regarded as related parties with which the Department has had material transactions during the year.

Executive NDPBs

Education Authority
Comhairle na Gaelscolaíochta
Council for Catholic Maintained Schools
General Teaching Council for Northern Ireland
Middletown Centre for Autism
Northern Ireland Council for Integrated Education
Northern Ireland Council for the Curriculum, Examinations and Assessment
Youth Council for Northern Ireland

Tribunals

Exceptional Circumstances Body

Other public bodies

Middletown Centre for Autism (Holdings) Limited
GMI schools*
VG schools*
Health and Social Care Board in respect of the Sure Start programme

* Note: Other schools, maintained and controlled, were funded via the EA.

The Department has had a small number of transactions with other Government Departments and other Central Government bodies. Most of these transactions have been with the DoF.

Other than the matter referred to below no minister, board member, key manager or other related parties has undertaken any material transactions with the Department during the year.

Mrs Joan McEwan, a non-executive director of the Department, was involved in the recruitment process for the EA Chair and the DE permanent secretary.

19 Third-party assets

The Department administers the Endowment and Miscellaneous Trust Funds on behalf of a number of Royal Schools. These are not Departmental assets and are not included in the Statement of Financial Position. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances, and listed securities. They are set out in the table below.

	31 March 2021 £000	31 March 2020 £000
Monetary assets such as bank balances	20	17
Listed securities	866	730
Total	**886**	**747**

The Department also holds legal title to a number of Turbary rights (the right to extract peat) and associated land which is held in Trust. These assets are not included within the Departmental accounts on the grounds that the legal basis of the trusts involved ensures that the Department cannot obtain economic benefit from these assets.

20 Entities within the departmental boundary

The entities within the boundary during 2020-21 were as follows:

Supply-financed agencies: None

Non-executive NDPBs: Exceptional Circumstances Body

Other entities: None

21 Events after the reporting period

There are no events after the reporting period relating to the 2020-21 financial year.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 28 October 2021.