

Arts Council of Northern Ireland Lottery Distribution Account 2014-15

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

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Annual Report

Directors' Report

Background Information on the Arts Council of Northern Ireland

The Arts Council of Northern Ireland (ACNI) is the statutory body through which public funding for the Arts in Northern Ireland are channelled. It was established by the Arts Council (Northern Ireland) Order 1995 and came into existence on 1 September 1995. The Council took over the assets and liabilities of the Arts Council of Northern Ireland 1994 Limited which was a company limited by guarantee established in 1994 as an interim body between the previous Arts Council (established in 1943) and the new statutory body.

The origins of ACNI date from 1943 when the Council for the Encouragement of Music and the Arts in Northern Ireland was set up. Initially funds were provided by the Pilgrim Trust and matched by the Ministry of Education for Northern Ireland. At the present time the Arts Council is funded via grant-in-aid by the Department of Culture, Arts and Leisure (DCAL). The affairs of the Council are currently managed by a Board consisting of fifteen members (thirteen from 1 April 2014 to 31 October 2014). The current Board members are listed below. The Chief Executive (Roisin McDonough) is the principal executive officer of the Council and is supported by a professional staff responsible for subject and functional areas of the Council's programme.

Statutory Background

The Arts Council of Northern Ireland is a statutory body established by the Arts Council (Northern Ireland) Order 1995.

The National Lottery was established by the National Lottery etc. Act 1993, as amended by the 1998 Act, to raise money for 'good causes' through the sale of lottery tickets. The Arts Council of Northern Ireland is charged under the Act with responsibility for distributing Lottery proceeds allocated to the arts in Northern Ireland. Lottery proceeds are also distributed through other distributing bodies to Sport, National Heritage, Charities, and to the Arts in England, Scotland and Wales. From 1998-99 Lottery proceeds were also distributed to the New Opportunities Fund (NOF) and to the National Endowment for Science, Technology and the Arts (NESTA).

The Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in accordance with sections 35(2) and 35(3) of the National Lottery etc. Act 1993 and the Lottery Accounts Direction, given by DCAL, with the approval of the Secretary of State for the Department for Culture, Media and Sport (DCMS). DCAL issued revised Lottery Accounts Directions to ACNI in December 2014, a copy of which can be obtained from ACNI upon request. DCAL issued revised Lottery Policy Directions to ACNI on 16 April 2008, a copy of which is attached to the end of these financial statements.

Principal functions related to National Lottery distribution activities

The Arts Council is responsible for the administration and distribution of funds raised by the National Lottery. The Board made its first awards to applicants for Lottery funding in 1995-96. The principal function is to fund applications for a broad range of capital and revenue projects in the Arts which will make an important and lasting difference to the quality of life of the people in Northern Ireland.

Board Members of the Arts Council of Northern Ireland and members of its Lottery, Grants and Capital Committee

Appointments to the Board are made by the Minister for Culture, Arts and Leisure. The Chairman and members of the Board have individual and collective responsibility to the Minister as Head of the Department:

- to provide effective leadership for the Council, in particular in defining and developing its strategic direction and in setting challenging objectives;
- to act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- to ensure that the Council's activities are conducted in an efficient and effective manner;
- to ensure that strategies are developed for meeting the Council's overall objectives in accordance with the policies and priorities established by the Minister;
- to monitor the Council's performance to ensure that it fully meets its aims, objectives and performance targets;
- to ensure that the Council's control, regulation and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensure value for money within a framework of best practice, regularity and propriety;
- to participate in the corporate planning process; and
- to appoint a Chief Executive.

The Board of the Arts Council of Northern Ireland for the year ended 31 March 2015 is shown below.

Board: 1 April 2014 to 31 March 2015

Mr Bob Collins (Chairman)
 Mr Damien Coyle (Vice Chairman)
 Mr David Alderdice
 Ms Anna Carragher
 Ms Noelle McAlinden
 Ms Katherine McCloskey
 Prof Ian Montgomery
 Mr Paul Mullan
 Prof Paul Seawright
 Mr Brian Sore
 Ms Nisha Tandon
 Mr Conor Shields
 Ms Eibhlínn Ní Dhochartaigh
 Mr Leon Litvack (from 1 November 2014)
 Ms Siún Hanrahan (from 1 November 2014)

The members of the Audit & Risk Committee for the year ended 31 March 2015 were:

Ms Anna Carragher (Chairman)
 Ms Katherine McCloskey
 Mr Paul Mullan

The members of the Grants Committee for the year ended 31 March 2015 were:

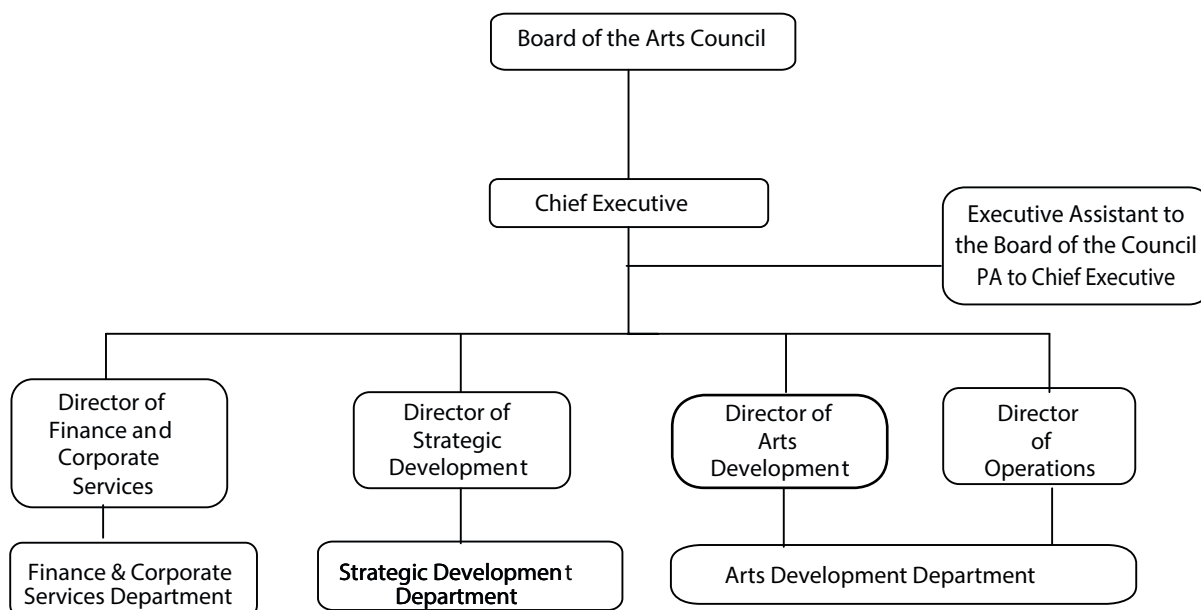
Mr Damien Coyle (Chairman)
 Ms Katherine McCloskey
 Mr Paul Mullan
 Prof Paul Seawright

The members of the Finance & Capital Committee for the year ended 31 March 2015 were:

Mr Brian Sore (Chairman)
 Mr Damien Coyle
 Prof Ian Montgomery
 Mr Leon Litvack (from 1 November 2014)
 Mr Billy Lyttle (co-opted member resigned 12 February 2015)

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest. A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 19. All of the transactions relating to the organisations were conducted at arm's length by the Arts Council.

Organisational Structure



Appointment of auditors

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

The fee for the audit of these financial statements was £27,000 (2013-14: £27,000). This cost is included in Other Expenditure Note 4(a) in the financial statements. The Arts Council did not purchase any non-audit services from its external auditor.

So far as the Accounting Officer is aware, all information has been provided to the auditor, and there is no relevant audit information of which the auditors are unaware. The Accounting Officer has taken all the steps she ought to have taken to make herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Research and Development

The Arts Council has no activities in the defined field of research and development.

Interest Rate and Currency Risk

The Arts Council Lottery Distribution Fund has no borrowing, relying primarily on Lottery funding for its cash requirements and is therefore not exposed to liquidity risks. It has also no material deposits. As all significant assets and liabilities are determined in sterling, it is not exposed to material interest rate or currency risk.

Policy on disabled persons

It is the Arts Council intention to ensure that people with a disability are given opportunities for suitable employment and that they are not discriminated against on the grounds of disability for recruitment, training or promotion.

In setting out Policy Guidelines for the distribution of Lottery funds, the Secretary of State has asked the Arts Council to ensure that there is suitable access for people with disabilities to any assets, new or improved facilities which receive Lottery funding. The Arts Council requires all applicants for Lottery funding to demonstrate that they have addressed the issue of access for people who have a disability, and other people for whom physical access is a difficulty, to both facilities and the services within them with regard to the project proposed. Applicants are asked to indicate, under a range of headings, the facilities they intend to provide. In considering the needs of people who have a disability, applicants are reminded not only about the needs of people with mobility difficulties, but also the needs of people with visual and hearing impairments. A checklist of topics to be considered in this area is included as part of the pack which each applicant receives.

Pension Fund

All assets, liabilities and operating costs of the Council's pension scheme are recorded in the accounts of the ACNI Exchequer entity. The salary charges to Lottery in-year include a recharge of employer pension costs of £143,842 (2013-14: £128,148).

The market value of the Council's share of the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension scheme's assets (excluding Additional Voluntary Contributions) at 31 March 2015 was £12.676 million (31 March 2014: £11.173m) and the present value of the Council's share of the scheme liabilities was £16.182 million (31 March 2014: £14.124m). The Council's share of the Scheme recorded net pension liabilities at 31 March 2015 was £3.506m (31 March 2014: £2.951m).

Employee consultation

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

Payment of suppliers

The Arts Council is committed to the prompt payment of bills for goods and services in accordance with the Confederation of British Industry's Prompt Payment Code. The target for payment of bills is 10 days from receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later. A review conducted at the end of the year to measure how promptly the Arts Council paid its bills found that 95% of the bills were paid within this standard. The comparative figure for 2013-14 was 93%. A review of payment of bills in 30 days from receipt of goods or services found that 99.6% (2013-14: 100%) of the bills were paid within 30 days.

Overall for the year the average number of days taken to pay invoices was 4 days (2013-14: 5 days).

Political and charitable donations

The Arts Council of Northern Ireland made no political or charitable donations during the year.

Equal Opportunity Policy

The Arts Council of Northern Ireland is committed to equality of opportunity between persons of different religious belief, political opinion, gender, marital status, disability, ethnic origin, age, dependants, sexual orientation or Trade Union membership. The Council has implemented equality legislation and codes of practice to ensure that procedures and policies are fair and lawful. The Council actively encourages this within its client/partner network.

Health and Safety

The Arts Council of Northern Ireland is committed to providing staff with an environment that is as far as possible, safe and free from risk to health. In accordance with this commitment, the Arts Council has complied with the relevant legislation.

Roisín McDonough
Accounting Officer

16 October 2015

Strategic Report

Principal Risks

Details on managing the Arts Council's risk can be found in the Governance Statement. The principal risk facing the Arts Council arises from pressures on public funding and the new funding environment. The Arts Council has modelled government cuts to inform options, the impact of cuts on arts organisations and staffing levels. It is essential that staffing levels are maintained at a level sufficient to deliver the lottery fund objectives.

Financial results

The Arts Council of Northern Ireland's Lottery Distribution results are set out in the Statement of Comprehensive Net Income.

Total income received from the National Lottery totalled £10,974,268 (2013-14: £9,502,831). A recoupment was also received from NI Screen of £4,000 (2013-14: £61,449).

During the year the Arts Council made net commitments of £14,096,298 (Restated 2013-14: £7,686,454) to applicants and contributed £150,000 (2013-14: £150,000) for Cross Border Touring.

The total administrative costs to the Arts Council of its distribution activities, including staff costs, were £1,547,853 (2013-14: £1,404,131).

Review of National Lottery distribution activities

During the 2014-15 year, 754 (2013-14: 731) applications were received by the Arts Council seeking grants of £15,432,462 (2013-14: £11,135,469) across the main Lottery programmes. The increase in the grant requests was mainly due to applications to the new Derry Legacy programme and increased applications to the Annual Funding programme.

By the end of the year the Arts Council had made 595 commitments (2013-14: 487) through the main programmes, totalling £13,663,218 (2013-14: £7,376,995). Timing of the Annual Funding round meant that both the 2014-15 and 2015-16 Annual Funding awards were scored to 2014-15. This accounted for £4.7 million of the increase in awards in 2014-15. The remaining balance was due to four new programmes (i) Re-imaging Communities, (ii) Creative Apprenticeships, (iii) Creative and Cultural Belfast and (iv) the Derry Legacy fund.

NI Screen made 70 commitments (2013-14: 67) totalling £636,381 (2013-14: £586,748) under its 3-year delegation agreement with the Arts Council.

Therefore in aggregate commitments were made in year totalling £14,299,599 (2013-14: £7,963,743).

Equity at the year end

At the 31 March 2015 the Lottery Distribution Account showed net expenditure of £4,815,883 (Restated 31 March 2014: net income of £323,695). The material change in expenditure was caused by bringing forward the 2015-16 Annual Funded awards to 2014-15. This brought forward expenditure resulted in a deficit in the Statement of Financial Position and at the 31 March 2015 the total equity showed a deficit of £3,221,351 (Restated 31 March 2014: surplus of £1,594,532).

Comment on NLDF Balance Policy

As at the 31 March 2015, Arts Council Lottery Account balances at NLDF totalled £5.5 million (31 March 2014: £4.1m), an increase of £1.4 million or 34% on the prior year.

As specified in the Lottery Accounts Direction, issued by DCAL, the NLDF balance is classified as investments held for sale in the Statement of Financial Position. This is in line with DCMS accounting policy. NLDF investments are therefore held at the lower of carrying amount and fair value less costs to sell, with any unrealised profit or loss recognised through reserves.

Current contracted commitments plus trade and other payables total £8.2m. The Council considers that it has sufficient liquid resources within the NLDF and cash balances of £5.7 million as well as forecasted NLDF income to cover all current contracted commitments. The forecasted NLDF income is based on quarterly projections received from DCMS. Current projections are to 2018-19.

During the year the Arts Council developed an NLDF policy (appendix B) to improve compliance with the requirements of National Lottery Guidance Note 1/03. The revised policy was considered by the Arts Council's Finance and Capital Committee on 27 November 2014 and approved by the Board on 3 December 2014.

The objective of this policy is for ACNI to maintain its NLDF balance at a prudent level based on a realistic assessment of its needs and the availability of funding from NLDF. ACNI's NLDF balance will be set at a level that will maximise its ability to achieve its strategic objectives, that will ensure that present commitments are not compromised and that will not impair or constrain its ability to enter into future commitments.

Although income is not entirely within its control, ACNI has arrived at the proposed target level of balance which has been expressed as a range, by making realistic assessments of forecasts for levels of income in future years (based on NLDF forecasts), and ACNI's assessment of:

- Both the 'upside' and 'downside' risks to those forecasts;
- Its forecasts for expenditure in future years on the basis of commitments made and planned activity;
- Its analysis of any future needs, opportunities, contingencies or risks which are not likely to be able to be met out of income if and when they arise; and
- The likelihood, on the best evidence available, of each of those needs arising and the potential consequences for ACNI of not being able to meet them.

Having carefully considered the above, ACNI has agreed that the target NLDF balance for 31 March 2015 will be scored with a 2.5% variation between £705,000 and £1,355,000. The actual NLDF balance was £5.5 million and the higher balance arose due to (i) higher than anticipated income and (ii) optimistic timing forecast of expenditure.

- 1 Income: Amount transferred from the Olympic Lottery Distribution Fund (OLDF) of £0.833M. During the year the order winding up OLDF successfully passed through committees in both houses of Parliament. Provisions allowed that amounts remaining in the OLDF would be transferred back to the NLDF. This income of £0.833 million had not been anticipated in income projections when establishing the NLDF target for 2014-15.
- 2 Expenditure: timing of expenditure was delayed on a number of programmes. The most significant were Project funding £1.049 million, Re-imaging programme £0.407 million, Building £0.491 million, Annual Funding £0.305 million and NI Screen £0.300 million. Measures will be put in place in 2015-16 to improve expenditure forecasting.

Key Performance Indicators (KPIs)

ACNI Lottery has the following two KPI's:

The Quicker Turnaround KPI

100% of decisions to be made within published deadline

Achieved

The Quicker Close Out KPI

90% of grants to be closed out within two months of the project end.

Still Progressing *

* Set part way through the year therefore progress made in 2014-15 with ACNI anticipating full achievement of this objective in the 2015-16 year.

Sickness Absence

The number of sick days reported in 2014-15 was 425 (2013-14: 402). This equates to an average lost working days per employee of 7.6 days (2013-14: 7.1 days), which is well within the target set by the Northern Ireland Civil Service Target to reduce working days lost to 10 days per employee.

Complaints Handling

The ACNI has a Service Charter which outlines the standard of service the public should expect. The Council operates a Service Complaints Procedure to handle general complaints about our service.

Complaints can be made informally by telephone or formally in writing to the Complaints Administrator. There are different procedures depending on whether the complaint is

- about a direct ACNI service;
- about a third party organisation or individual funded by the ACNI or;
- an anonymous complaint.

Further information on complaints can be found on the ACNI website at <http://www.artscouncil-ni.org/about-us/customer-service/complaints>

A bi-monthly report is provided to the Board on the number of complaints received and the outcome within the period.

There were no direct complaints received in the 2014-15 financial year.

Personal Data

There were no reported personal data related incidents during the year.

Going Concern Basis

The Lottery Distribution Accounts of the Arts Council are produced on the Going Concern Basis. This was formally considered by the Board at its Board meeting on Wednesday 25 March 2015. The Council is not aware of any reason to adopt a different basis.

The Arts Council considers that the Fund is not exposed to significant liquidity risks; it is satisfied that it has sufficient liquid resources within the NLDF and cash balances of £5.7 million as well as forecasted NLDF income to cover all current liabilities of £8.2 million. The forecasted NLDF income is based on quarterly projections received from DCMS. Current projections are to 2018-19.

2014-15 National Lottery Distribution Activities

During 2014-15 the Council continued to deliver a range of funding programmes:

Annual Funding
Arts & Older People
Intercultural
Project funding
Public Art
Re-Imaging Communities
Support for Individual Artists
Small Grants

In addition the Council launched 3 new programmes:

- Derry Legacy Fund – working with former Derry City Council (now Derry City & Strabane District Council) to provide a mechanism for continued investment in the arts and cultural sector in Derry, Londonderry following the hugely successful year as UK City of Culture 2013. The Fund aims to enhance the arts and culture programming of venues and organisations above their 2012 levels. The first awards were made in June 2014.
- Northern Ireland Music Touring Programme – aimed at developing year-round programming across Northern Ireland for the benefit of local artists and audiences alike to reflect the diversity of Northern Ireland's society and culture and contribute the growth of the music sector through support for a more ambitious and dynamic approach to under-represented music genres. The first awards were announced in May 2014.
- Creative Apprenticeship and Internship Programme – An award was made to Creative & Cultural Skills in October 2014 to run the NI Creative Employment Programme with the aim of creating 100 apprenticeships/ internships over the incoming 3 years.

Future Developments in National Lottery Distribution Activities

In the incoming year the Council will continue to offer the full range of programmes which it has operated during the current year.

The Council is also discussing with possible stakeholders the potential of a mental health and wellbeing programme.

Given the new local government structure in Northern Ireland, the Council will examine new ways of working with the 11 new Councils.

Sustainability/Environmental Matters

The Council is committed to ensuring that sustainable development becomes an integral part of our business. We are committed to ensure that future generations enjoy the opportunity to visit arts venues in well-designed buildings.

Our sustainable actions include:

- Sustainable development: Sustainable development is a guiding principle of the Architecture and Build policy published by DCAL in 2006. Consistent with this policy our Capital programmes complied with the Government's Achieving Excellence in Construction Initiative which promoted design quality and sustainability in construction, while achieving best value of money
- Reducing our waste and increasing recycling levels
- Reducing our contribution to climate change in terms of energy consumption and related CO2 emissions
- Reducing paper by use of tablet pcs and encouraging duplex printing and printing two pages on A4 paper
- Participating in the Governments "Cycle to work" scheme
- Reducing business travel, where possible, through greater use of video/teleconferencing
- Encouraging all tendered Arts Council suppliers to devise and implement Social Clauses/Corporate Social Responsibility (CSR) policies.

Social and Community Issues

The Arts Council supports generous charitable giving by staff through payroll giving.

Roisín McDonough
Accounting Officer

16 October 2015

Remuneration Report

Remuneration Policy

The Arts Council Remuneration Committee is a Committee of the Board of the Arts Council. The Committee is authorised by the Board to undertake any activity within its terms of reference. Its membership is made up of 4 Board members as follows:

Mr Damien Coyle (Chairman)
Mr Bob Collins
Ms Katherine McCloskey
Mr Brian Sore

Within the Arts Council, the Chief Executive is employed at a Senior Civil Service grade. The remuneration of senior civil servants is set by the Minister of Finance and Personnel.

The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report which he commissioned in 2010. The Commitment to a Pay and Grading Review for SCS was the second phase of an equal pay settlement approved by the Executive.

The Remuneration Committee is responsible for assessing the Chief Executive's performance and making recommendations on achievement to DCAL. The Chief Executive has a staff appraisal with the Chairman on the basis of objectives set the previous year in consultation with DCAL. The appraisal meeting also includes discussion of objectives for the incoming year. These are further discussed by the Chairman with DCAL. Subsequent proposed objectives approved by the Remuneration Committee are discussed and agreed with the Chief Executive as appropriate for the year.

All other executive directors within the Arts Council are employed at Grade 7. The Arts Council's Management Statement directs that Approval of the Department is required to re-grade/create posts at DP level and above, unless otherwise advised by the Department. Staff are appointed on Northern Ireland Civil Service pay scales.

All staff costs are incurred by the Arts Council of Northern Ireland and an appropriate amount is recharged to the Lottery Distribution Account. The apportionment is made at full economic cost and calculated on the basis of the proportion of activity funded by Lottery.

Service Contracts

Appointments in the Arts Council are made with reference to the Equality Commission's Advice and Guidance. Policy relating to notice periods and termination payments are contained in individual terms and conditions of employment. Unless otherwise stated below, the employees covered by this report hold appointments, which are open-ended until they reach retirement age. The Chief Executive (Roisin McDonough) was appointed on 16 October 2000. This position is permanent within the definition above as are the executive director positions.

Salary, Bonus, Benefit-in-kind and Pension Entitlements – Senior Staff (Audited Information)

Officials	2014-15					2013-14				
	Salary £000	Bonus £000	Benefit in kind £000	Pension Benefits* £000	Total £000	Salary £000	Bonus Payments £000	Benefit in kind £000	Pension Benefits* £000	Total £000
R McDonough (Chief Executive)	80-85	–	–	19	100-105	80-85	–	–	26	105-110
N McKinney (Director of Arts Development)	50-55	–	–	10	60-65	50-55	–	–	10	60-65
G Troughton (Director of Finance and Corporate Services)	45-50	–	–	11	55-60	45-50	–	–	12	55-60
N Livingston (Director of Strategic Development)	50-55	–	–	9	60-65	50-55	–	–	10	60-65
L McDowell (Director of Operations)	50-55	–	–	12	60-65	50-55	–	–	16	65-70
Band of Highest Paid Director's Total Remuneration	80–85					80–85				
Median Total Remuneration	23,948					24,116				
Ratio	3.4					3.4				

* 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 increase excludes increases due to inflation and does not include any increase or decreases due to a transfer of pension rights.

Salary

'Salary' includes gross salary, overtime, allowances and performance pay or bonuses, to the extent that they are subject to UK taxation. This report is based on payments made by the Arts Council of Northern Ireland before any recharge of costs is made to the Lottery fund.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No benefits in kind were paid to any employee noted below.

Board Members' Honoraria (Audited Information)

No emoluments were paid to members of the Board of the Arts Council except for Honoraria to the Chairman and Vice Chairman.

The rate of honoraria for the Chairman is £10,000 per annum with effect from 1 July 2007 and the Vice Chairman is £3,500 per annum with effect from 1 December 2007. The Chairman's actual honorarium for 2014-15 was £9,750. The total cost of honoraria paid in 2014-15 was £13,498 (2013-14: £13,821) as shown in wages and salaries. This includes £248 (2013-14: £321) of employer's National Insurance Contributions. The amounts received by the Chairman and Vice-Chairman are detailed below:

	Chairman £	Vice-Chairman £
B Collins	9,750	
D Coyle		3,500

Of the total cost of honoraria £6,074 (2013-14: £6,081) was apportioned to the Lottery Distribution Account. No emoluments were paid to other Board members in respect of Lottery activities. The Council does not pay any pension contributions on behalf of the Chairman and Vice-Chairman. These individuals are not included, therefore, in the following pension note.

Bonuses

The Special Bonus Scheme allows the Arts Council to reward exceptional performance in particularly demanding tasks or situations at any time in the year. No bonuses were paid to Senior Staff in 2014-15 (2013-14: Nil).

Median Remuneration

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 median remuneration of the staff is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent (FTE) remuneration as at the reporting period date.

Total remuneration includes salary, performance pay and bonuses. It does not include employer pension contributions and the cash equivalent transfer value of pensions. Total remuneration is calculated on an annualised basis to remove any fluctuations caused by employee turnover, which do not reflect changes in pay policy.

The FTE measurement of staff is specified to ensure a level of comparability that would otherwise be distorted, if a member of staff represented a whole unit, irrespective of the hours worked.

The ratio is calculated as follows:

Midpoint in highest paid director's pay band.

Median remuneration of Council's staff.

Pension Entitlements (Audited Information)

	Accrued pension at aged 65 as at 31 March 2015 and related lump sum £000	Real increase in pension at age 65 and related lump sum £000	CETV at 31 March 2014 £000	CETV at 31 March 2014 £000	Real increase in CETV £000
R McDonough	30-35 plus lump sum of 75-80	0-2.5 plus lump sum of (0-2.5)	712	695	9

	Accrued pension at aged 65 as at 31 March 2015 and related lump sum £000	Real increase in pension at age 65 and related lump sum £000	CETV at 31 March 2014 £000	CETV at 31 March 2014 £000	Real increase in CETV £000
N McKinney	15-20 Plus lump sum of 40-45	0-2.5 plus lump sum of 0-2.5	359	336	18
G Troughton	5-10 plus lump sum of 0-5	0-2.5 plus lump sum of 0-2.5	110	96	12
N Livingston	20-25 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	498	466	26
L McDowell	20-25 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	503	473	30

Arts Council Pensions

The pension benefits of all staff are provided through the Northern Ireland Local Government Officers' Superannuation Committee. This is a funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65.

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

Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse's pension. Medical retirement is possible in the event of serious ill- health. In this case pensions are brought into payment early.

Members pay contributions of between 5.5% and 7.5% of pensionable earnings. For 2013-14 the rates were as follows:

Band	Range	Contribution Rate
1	Up to £14,000	5.5%
2	£14,001 to £16,500	5.8%
3	£16,501 to £21,300	5.9%
4	£21,301 to £35,600	6.5%
5	£35,601 to £47,700	6.8%
6	£47,701 to £89,400	7.2%
7	More than £89,400	7.5%

During the year the Arts Council made contributions for 60 (2013-14: 62) employees (not all 60 were employed throughout the year). The NILGOSC scheme is a "multi-employer", defined benefit scheme, which provides members of participating employers with the benefits related to pay and services at rates which are defined under statutory regulations. To finance these benefits, assets are accumulated in the scheme and are held separately from the assets of the employers. The scheme is funded by employers participating in the NILGOSC scheme who pay contributions at rates determined by an independent professionally qualified actuary on the basis of regular valuations using the projected unit method. During the year ended 31 March 2015 the Arts Council contributed 20% (2013-14: 20%) of gross salary.

Cash Equivalent Transfer Values

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

Real increase in CETV

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

Exit Packages

No executive directors of the Arts Council received any compensation for loss of office during the year.

Roisín McDonough
Accounting Officer

16 October 2015

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

The Arts Council of Northern Ireland is required to prepare a statement of accounts for each financial year in a form directed by the Secretary of State with the consent of DFP and HM Treasury in accordance with Section 35(3) of the National Lottery etc. Act 1993 and Lottery Accounts Direction given by DCAL.

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

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

- observe the Accounts Direction issued by DCAL on behalf of the Secretary of State for DCMS, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- observe the current version of the Government Financial Reporting Manual;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Arts Council of Northern Ireland Lottery Distribution Fund will continue in operation.

The Accounting Officer for DCAL has designated the Chief Executive of the Arts Council of Northern Ireland as the Accounting Officer for the Council. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the finances for which she is answerable and for the keeping of proper records, are set out in 'Managing Public Money' issued by HM Treasury, and in the Financial Directions issued by DCAL on behalf of the Secretary of State for DCMS under s26(3) of the National Lottery etc. Act 1993.

Roisín McDonough
Accounting Officer

16 October 2015

Governance Statement

Scope of responsibility

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

This responsibility is supported by the functions of the ACNI; Board; Committees (particularly the Audit and Risk Committee); internal and external audit; the ACNI's risk register as well as accountability meetings with the Department of Culture, Arts and Leisure (DCAL).

I also combine my Accounting Officer role with my responsibilities to the Department including any Ministerial directions. There were no Ministerial directions in the 2014-15 financial year.

Corporate Governance Code

The ACNI complies with the principles of good practice detailed in Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 issued by DFP under cover of their letter DAO (DFP) 06/13.

The Board has reviewed and discussed the six principle areas of the code and was content that the ACNI has adopted the practices set out in the code wherever they were relevant, practical and consistent with business needs.

Two principal areas were less relevant to the ACNI:

- a Board composition as the DCAL Minister makes appointments to the Board. However, the Board has the authority to co-opt to its committees where it deems a skill or experience is required.
- b Arm's Length Bodies. This principle has negligible relevance as the principle was directed towards Departments and their governance arrangements with ALB Boards.

There were no departures in the 2014-15 financial year from the application of relevant principles.

Conflicts of Interest

The Corporate Governance in Central Government Departments: Code of Good Practice (NI) 2013 also requires the Board to publish how it identified any conflicts of interest and potential conflicts and how these have been managed.

Several members of the Board of the ACNI and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. All individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed in Note 19. All of the transactions relating to the organisations were conducted at arm's length by the ACNI.

The Purpose of the Governance Framework

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

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

The governance framework has been in place in the ACNI for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.

Governance Framework

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

- 1 Identifying and communicating the ACNI's vision of its purpose and intended outcomes;
- 2 Reviewing the ACNI's vision and its implications for the ACNI's governance arrangements;
- 3 Measuring the quality of service, ensuring delivery in accordance with the ACNI's objectives and for ensuring that they represent the best use of resources;
- 4 Defining and documenting the roles and responsibilities of the Executive, Non-Executive, scrutiny and Officer functions, with clear delegation arrangements and protocols for effective communication;
- 5 Developing, communicating and embedding Codes of Conduct, defining the standards of behaviour for members and staff;
- 6 Reviewing and updating the Management Statement and Financial Memorandum, Financial Instructions, Scheme of Delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- 7 Undertaking the core functions of an Audit and Risk Management Committee;
- 8 Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- 9 Implementing procedures for Whistle-blowing and for receiving and investigating complaints from internal and external sources;
- 10 Identifying the development needs of members and senior officers in relation to their strategic roles, supported by training;
- 11 Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

Board membership

The ACNI is vested in and administered by a body corporate known as the Board of ACNI, consisting of a Chair, Vice-Chair and thirteen members (as at 31 March 2015) appointed by the DCAL Minister, as set out in the Arts Council (Northern Ireland) Order 1995. Two Board members were appointed during the year.

I am supported by the Board of ACNI. The Chair and members of the Board have individual and collective responsibility to the Minister as Head of Department:

- to provide effective leadership for the ACNI, in particular in defining and developing its strategic direction and in setting challenging objectives;
- to act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- to ensure that the ACNI's activities are conducted in an efficient and effective manner;
- to ensure that strategies are developed for meeting the ACNI's overall objectives in accordance with the policies and priorities established by the Minister;
- to monitor the ACNI's performance to ensure that it fully meets its aims, objectives and performance targets;
- to ensure that the ACNI's control, regulation and monitoring of its activities as well as those of any other bodies which it may sponsor or support, ensure value for money within a framework of best practice, regularity and propriety;
- to participate in the corporate planning

The Board held thirteen meetings during the year to determine policy for ACNI and make decisions in line with that policy. These meetings were held in my presence and that of my colleagues in senior management who produced papers and information to assist Board decision making. On 25 March 2015 the Board reviewed its effectiveness. The review provided the opportunity for reflection not available at regular Board meetings and a number of areas for improvement have been identified. The overall opinion was that engagement had been good, the discussion rewarding and there was a consensus that the Board, management and the organisation as a whole were functioning effectively.

The Board has a rolling work-plan and achieved its objectives, which were set out during the year. The overall average attendance rate of members was 74%.

Attendance at Board Meetings 2014-15

	Business meetings	NS Plenary*	Effective & Develop**	Total	Possible Meetings	% Attend
	Full					
David Alderdice	10	0	1	11	13	85
Anna Carragher	9	1	0	10	13	77
Bob Collins	11	1	1	13	13	100
Damien Coyle	7	0	0	7	13	54
Siún Hanrahan ~	6	0	1	7	7	100
Leon Litvack ~	4	0	0	4	7	57
Noelle McAlinden	11	1	1	13	13	100
Katherine McCloskey	9	1	1	11	13	85
Ian Montgomery	5	1	0	6	13	46
Paul Mullan	6	1	0	7	13	54
Eibhlín Ní Dhochartaigh	8	0	0	8	13	62
Paul Seawright	7	1	1	9	13	69
Conor Shields	7	1	0	8	13	62
Brian Sore	10	1	1	12	13	92
Nisha Tandon	5	1	1	7	13	54

* North South Plenary Meeting

** Effectiveness & Development day

~ Joined 1 November 2014

Attendance at Committee Meetings 2014-15

	Audit and Risk		Finance and Capital		Remun****		Grants		Possible Meetings		
	5	%	4	%	1	%	1	%	Total	Meetings	% Attend
David Alderdice											
Anna Carragher	5	100							5	5	100
Bob Collins					1	100	1	100	2	2	100
Damien Coyle			3	75	1	100	1	100	5	6	83
Siún Hanrahan ~											
Leon Litvack ~			0	0					0	2	0
Noelle McAlinden											
Katherine McCloskey	4	80			1	100	0	0	5	7	71
Ian Montgomery			2	50					2	4	50
Paul Mullan	4	80					0	0	4	6	67
Eibhlín Ní Dhochartaigh ~											
Paul Seawright							0	0	0	1	0
Conor Shields ~											
Brian Sore			4	100	1	100			5	5	100
Nisha Tandon ~											

**** Remuneration Committee

~Joined 1 November 2014

The minutes of committee meetings are standing items on the agenda of Board meetings and the Committee Chairs provide full report on their activities.

Audit and Risk Committee

The Audit and Risk Committee comprises four members and is chaired by a member. It met five times during the year. I attend each meeting along with the Director of Finance and Corporate Services. The Audit and Risk Committee has a rolling work-plan and measures its performance by the achievement of its objectives.

Its terms of reference include supporting the Board and Accounting Officer by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and by reviewing the reliability and integrity of these assurances; the activities of the internal and external auditors and overseeing the risk culture of ACNI; and also reviewing its own effectiveness, constitution and terms of references and reporting the results of that review to the Board.

The Committee makes regular reports to the Board. Board Members are satisfied that the Committee is providing them with assurance.

Other committees

The Finance and Capital Committee comprises four members and one co-opted member, and is chaired by a member. Two of my directors also attend each meeting. This committee met four times during the year.

Its terms of reference cover the proposal to the Board of the annual budget of the ACNI; ensuring comprehensive financial advice is provided to the Board; reviewing the detailed information relating to the financial resources including the Statement of Comprehensive Net Expenditure, Statement of Financial Position and cash flow statements; monitoring financial expenditure against targets set throughout the year making recommendations as necessary; reviewing the programmes, policies and procedures relating to the payment of capital grants and where appropriate, to propose changes to the above for Board approval; and to advise on policy and the strategic deployment of capital resources.

The Remuneration Committee comprises four members and is chaired by the Vice Chair. It met once during the year and was quorate. Its terms of reference include assessing and agreeing targets, standards of performance, goals and objectives in respect of the Chief Executive. In consultation with the Department it sets the remuneration terms related to the performance of the Chief Executive, giving due weight to the proper management and use of public monies. It monitors the performance of the Chief Executive within the terms and conditions of the contract of employment. It reviews its own Terms of Reference annually to ensure it is operating to maximum effect and recommends any changes considered necessary to the Board for approval. During the year the Remuneration Committee reviewed the performance of the Chief Executive and her remuneration terms.

The Grants Committee comprises four members and is chaired by a member. It met once during the year. I attended this meeting along with the Director of Operations.

Its terms of reference include reviewing the programmes, policies and procedures relating to the payment of Exchequer and Lottery grants, and where appropriate, proposing changes to the above for approval by the Board; taking decisions on grant aid within delegated financial limits set by the Board; advising on decisions on National Lottery Distribution Fund (NLDF) balance policy matters.

The Board has delegated its grant-decision-making for grants under £25,000 to staff. All decisions made by staff and committees are reported to the Board.

Business planning

Each year of the five year strategic plan, amplified as necessary, forms the basis of the business plan for the forthcoming year. The business plan includes key performance indicators, milestones and targets linked to the Programme for Government and Public Service Agreements for the forthcoming year. It also links to budgeting information so that resources allocated to achieve specific objectives can readily be identified by the Department. The five-year strategy and annual business plan takes into account the Minister's priorities and is framed in that context.

The draft business plan is submitted to the Department as early as possible, but no later than 31 January each year. The ACNI's plans are submitted to the Department for approval and include measures of performance and annual targets in respect of each of those measures and the proposed annual efficiency. Progress against targets is reported quarterly to the Board and bi-annually to DCAL's governance and accountability meetings.

A five year strategic plan for the arts in Northern Ireland 2013 – 2018, entitled "Ambitions for the Arts" has been developed by the Board and it elaborates on three key themes as follows:

- Champion the Arts.
- Promote Access.
- Create a more Resilient Sector.

These key themes are discharged by a number of business areas with two key financial performance indicators and the results for the year are:

Milestones achieved	(1)
Milestones still progressing	(1)
Milestones not achieved	–

Risk Management

The identification and impact of risk is incorporated into the corporate planning and decision making processes of the ACNI. Consequently the ACNI ensures that there are procedures in place for verifying that internal control and aspects of risk management are regularly reviewed and reported on and are supplemented by detailed best practice guidelines on Public Interest Disclosure (whistle-blowing) and Fraud Management policies among others. The Board receives periodic reports concerning internal control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. A system of risk management is maintained to inform the Board's decisions and all reputational risks to the ACNI are drawn to the attention of the Chairman and are properly managed. The Risk Register is presented to the Audit and Risk Committee and to the Board on a quarterly basis. Responsibility for risk management has been assigned to appropriate members of the executive team and officers and is reported on routinely to the Chief Executive and Director of Finance and Corporate Services.

On an annual basis, risks are categorised by considering the likelihood of occurrence should no risk-mitigation activity occur and the impact should the risk happen. The risks where the potential impact is deemed high are detailed in the ACNI risk register. The risk register forms part of the annual business plan of the Board, having been previously endorsed by the Audit and Risk Committee. The Senior Management Team assigns to managers (the 'risk owners') the task of putting procedures in place to monitor and, where possible, mitigate the risk.

The Audit and Risk Committee has lead responsibility for the periodic review of the risk register. The ACNI consider the following to be the most significant areas of risk:

The Audit and Risk Committee has lead responsibility for the periodic review of the risk register. The ACNI consider the following to be the most significant areas of risk:

- Inability to deliver the Business Plan in 2015-16 due to budget and staff cuts.
- Impact of economic downturn on arts organisations resulting in a loss of frontline services.
- Reduction in DCAL / National Lottery funding of the arts resulting in a loss of frontline services.
- Fraudulent activity within client organisation resulting in a loss of public funds.

In 2011 DCAL completed an ALB sponsorship risk assessment for ACNI. The overall rating assigned to the ACNI by that process was Medium/Low and remains unchanged.

Fraud risk and information risk

ACNI has a fraud policy that is reviewed on an annual basis. It is given to all new staff at their induction, and staff receive training appropriate to their grade and duties. ACNI also has an information risk policy to be followed by all staff, which new staff read as part of their induction. The policy requires all data to be held securely. ACNI is compliant with the Security Policy Framework and with the mandatory measures of the Data Handling Review.

The ACNI maintains a register of related party transactions in order to ensure that opportunities for conflict of interest are avoided. The register is maintained centrally and is updated regularly. It features as a supplementary report in the decision making process on relevant grants, to ensure the exclusion of parties with a perceived conflict of interest. The NIAO publication "Conflicts of Interest – A Good Practice Guide" March 2015 has been circulated to the Board to assist members recognise actual and perceived conflicts of interest.

All staff have been provided with a copy of the ACNI Information and IT Security Policy to ensure that they are aware of best practice on how to protect the data and assets held by the organisation. Additionally, to gain access to the ACNI's computer network, staff are required to acknowledge acceptance of IT policies when they log into their workstations.

Governance & Accountability within ACNI

The annual internal audit plan is created on a risk basis; KPMG our internal auditors were provided with a copy of the draft risk register for 2014 when preparing their plan. The Audit and Risk Committee reviewed and approved the internal audit plan. I ensured that there was sufficient flexibility in the plan to allow for changes to be made during the year to reflect any significant changes in the risk environment and the emergence of new risks. However, there were none.

All reports of the internal auditors were discussed by the Audit and Risk Committee with senior members of staff in attendance, including those whose departments were reported upon by the auditors. This gave me and members of the committee the opportunity to discuss, in detail, the findings, recommendations and proposed management actions. Directors that had failings identified by the internal auditors were required to devise corrective action and set a completion date for that action in consultation with the internal auditors. I receive regular reports from the auditors notifying me of the progress my Department Directors have achieved in clearing up points raised by both internal and external auditors in previous years.

Sources of independent assurance

KPMG is the Internal Auditor for ACNI. KPMG issued an internal audit assurance statement to the Audit and Risk committee of the ACNI in respect of the year ended 31 March 2015. The internal audit assurance statement stated that on the basis of work performed during the year, KPMG can conclude that ACNI has established procedures that are adequate to meet management's control objectives in the systems audited and consequently KPMG provided a satisfactory level of assurance over the control environment at the organisation.

The Comptroller and Auditor General to the Northern Ireland Assembly certifies the accounts and provides an opinion whether, in all material respects, the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern the ACNI.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors and senior management within ACNI who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. As a result of their work during the year, the internal auditors have produced an annual certificate of assurance with regard to the adequacy of the systems and the operation of internal controls within ACNI. In addition, I have considered the Report to Those Charged with Governance prepared by the external auditors following their audit of the accounts for the year ended 31 March 2015. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit and Risk Committee, and a plan to address weaknesses and ensure continuous improvement of the internal control system is in place.

The Audit and Risk Committee reviews its effectiveness and questions the activities of risk owners. Furthermore, our internal audit function reviews the risk-management processes as part of its work and can provide the benefit of its experience of other organisations' risk-management activities.

Policy papers put to the Board for decision all contain a discussion of the risks associated with taking the possible courses of actions. The Board also regularly discusses the risks on the risk register with the risk owners. The Board has considered the quality of data used by the Board across all business areas and finds the information provided by management suitable for the purposes of making effective decisions.

Quality of Information

The Board has considered the quality of data used by the Board across all business areas and finds the information provided by management suitable for the purposes of making effective decisions. The Board is satisfied with the quality, timing and availability of information with which it is furnished. Appropriate members of the Executive attend Board meetings supported by other ACNI staff upon request. This provides an additional tier of assurance enabling Board members to question further and test the quality, depth and accuracy of information presented. The work of the Audit and Risk Committee also provides additional assurance to the Board in terms of information with which it is presented. This Committee reviews many of the core assurance and governance documentation in advance of the Board and is able to confirm information via challenge and the work of internal and external audit.

Internal Governance Divergences – current and new for 2014-15

Update on prior year control issues which have been resolved and are no longer considered to be control issues.

Fourteen prior year issues highlighted in internal audit reports in relation to Grant Funding and Client Management have been resolved and are no longer control issues in 2014-15.

Update on prior year control issues, which are considered to be control issues

Internal audit reported three prior year internal audit reports highlighted issues in relation to (i) Grant Funding and Client Management (1 issues), (ii) Human Resources (1 issue) and Procurement (1 issue). Internal audit review of these recommendations, which consisted of three priority 2s, suggested that the controls had not been embedded and they remain control issues. The issues all relate to processes and the executive management can advise that all the process issues will be addressed in full during the 2015-16 financial year.

Identification of new issues in the current year, including issues identified in the mid-year assurance statement, and anticipated future issues

Internal auditors KPMG awarded ACNI a satisfactory level of assurance over its control environment in its assurance statement for 2014-15.

Internal Audit identified a number of areas where ACNI should put procedures in place to strengthen the existing processes and controls in order to fully meet management's control objectives. Overall, eight new recommendations have been identified in the current year, two of which have already been addressed and management have agreed a timescale for implementation of the remaining six recommendation and three prior year issues. These nine recommendations consist of four Priority 2 recommendations and five Priority 3 recommendations.

I am pleased to report that recommendations were satisfactorily progressed to allow internal audit to award a satisfactory level of assurance in its assurance statement.

Conclusion

As a result of the above, I believe that ACNI's internal control and governance framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our systems for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid are not adequate. I believe that ACNI's governance structure has operated successfully in 2014-15.

Roisín McDonough
Accounting Officer

16 October 2015

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

I certify that I have audited the financial statements of the Arts Council of Northern Ireland Lottery Distribution Account for the year ended 31 March 2015 under the National Lottery etc. Act 1993. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Council, Accounting Officer and Auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Arts Council of Northern Ireland Lottery Distribution Account's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Arts Council of Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report, Statement of Council's and Accounting Officer's Responsibilities and Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Arts Council of Northern Ireland Lottery Distribution Account's affairs as at 31 March 2015 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse KCB
Comptroller and Auditor General

3 November 2015

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

Statement of Comprehensive Net Income for the year ended 31 March 2015

	Note	2014-15 £	2013-14 £
Expenditure			
New grants made in year	12	14,299,599	7,963,743
Grants de-committed in year	12	(203,301)	(277,289)
Grant Funding Cross Border Touring	4b	150,000	150,000
Staff costs: direct costs	3	5,872	–
Staff costs: recharge	3	1,001,589	949,817
Other operating costs: direct costs	4a	166,383	101,899
Other operating costs: recharge	4a	374,009	352,415
Total Expenditure		<u>15,794,151</u>	<u>9,240,585</u>
Income			
Proceeds from Lottery ticket sales	5	10,930,077	9,459,382
Lottery investment returns	5	44,191	43,449
Other income	5	4,000	61,449
Total Income		<u>10,978,268</u>	<u>9,564,280</u>
Net Expenditure		<u>(4,815,883)</u>	<u>323,695</u>
Other Comprehensive Net Income			
		2014-15	2013-14
		£	£
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of investment classified as held for sale	8	–	–
Total Comprehensive Income for the year ended 31 March 2015		<u>(4,815,883)</u>	<u>323,695</u>

All activities are continuing with no acquisitions or disposals. There are no gains or losses other than those above.

The notes on pages 33 to 46 form part of these accounts.

Statement of Financial Position as at 31 March 2015

		31 March 2015	31 March 2014	31 March 2013
	Note	£	£	£
Non-current assets:				
Property, plant and equipment	6	-	-	-
Total non-current assets		<u>-</u>	<u>-</u>	<u>-</u>
Current assets:				
Investment classified as held for sale	8	5,526,879	4,100,174	5,221,643
Trade and other receivables	9	48,927	223,872	112,499
Cash and cash equivalents	10	213,334	403,128	224,442
Total current assets		<u>5,789,140</u>	<u>4,727,174</u>	<u>5,558,584</u>
Total assets		<u>5,789,140</u>	<u>4,727,174</u>	<u>5,558,584</u>
Current liabilities:				
Trade and other payables	11	188,000	164,981	165,325
Grant hard commitments	11	8,061,491	2,967,661	4,122,422
Total current liabilities		<u>8,249,491</u>	<u>3,132,642</u>	<u>4,287,747</u>
Non-current assets plus net current assets		<u>(2,460,351)</u>	<u>1,594,532</u>	<u>1,270,837</u>
Non-current liabilities				
Grant hard commitments	11	761,000	0	0
Total non-current liabilities		<u>761,000</u>	<u>0</u>	<u>0</u>
Assets less liabilities		<u>(3,221,351)</u>	<u>1,594,532</u>	<u>1,270,837</u>
Equity:				
General reserve		(3,345,715)	1,470,168	1,146,473
NLDF revaluation reserve		124,364	124,364	124,364
Total Equity		<u>(3,221,351)</u>	<u>1,594,532</u>	<u>1,270,837</u>

The financial statements on pages 33 to 53 were approved by the Board on 7 October 2015 and were signed on its behalf by:

Roisín McDonough
Accounting Officer

16 October 2015

The notes on pages 33 to 46 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2015

	Note	2014-15 £	2013-14 £
Cash flows from operating activities			
Net surplus/(deficit)		(4,815,883)	323,695
Funds received into the National Lottery Distribution Fund	5	(10,974,268)	(9,502,831)
(Increase)/Decrease in trade and other receivables	9	174,945	(111,373)
Increase/(Decrease) in payables	11	5,877,849	(1,155,105)
Net cash outflow from operating activities		<u>(9,737,357)</u>	<u>(10,445,614)</u>
Cash flows from financing activities			
Funds drawn down from the National Lottery Distribution Fund	8	9,547,563	10,624,300
Net financing		<u>9,547,563</u>	<u>10,624,300</u>
Net increase/(decrease) in cash and cash equivalents in the period		<u>(189,794)</u>	178,686
Cash and cash equivalents at the beginning of the period	10	<u>403,128</u>	<u>224,442</u>
Cash and cash equivalents at the end of the period	10	<u>213,334</u>	<u>403,128</u>

The notes on pages 33 to 46 form part of these accounts.

Statement of Changes in Equity for the year ended 31 March 2015

	Notes	General Reserve £	NLDF Revaluation Reserve £	Total Reserves £
Balance at 31 March 2013		1,454,278	124,364	1,578,642
Changes in accounting policy		(307,805)	–	(307,805)
Restated balance at 1 April 2013		<u>1,146,473</u>	<u>124,364</u>	<u>1,270,837</u>
Changes in Equity for 2013-14				
Comprehensive income for the year		323,695	–	323,695
Net gain on revaluation of investment	8	–	–	–
Balance at 31 March 2014		<u>1,470,168</u>	<u>124,364</u>	<u>1,594,532</u>
Changes in Equity for 2014-15				
Comprehensive expenditure for the year		(4,815,883)	–	(4,815,883)
Net gain on revaluation of investment	8	–	–	–
Balance at 31 March 2015		<u>(3,345,715)</u>	<u>124,364</u>	<u>(3,221,351)</u>

The notes on pages 33 to 46 form part of these accounts.

Notes to the Accounts

1 Statement of accounting policies

These financial statements have been prepared in a form directed by the Secretary of State with the consent of the Department of Finance and Personnel in accordance with Section 35(3) of the National Lottery etc Act 1993 and Lottery Accounts Direction given by DCAL.

The financial statements have been prepared in accordance with the 2014-15 Government Financial Reporting Manual issued by HM Treasury. The accounting policies contained in the Government Financial Reporting Manual apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the Government Financial Reporting Manual permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Arts Council of Northern Ireland Lottery Distribution Account for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Arts Council of Northern Ireland Lottery Distribution Account for the distribution of public funding for the Arts in Northern Ireland are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

a Accounting convention

These accounts have been prepared under the historical cost convention, except in relation to balances held in the National Lottery Distribution Fund.

b Property, plant and equipment and intangible assets

ACNI Exchequer is responsible for all non-current asset purchase and maintenance. Non-current asset usage on Lottery activities is recharged from the Exchequer to the Lottery account.

c Balances held in the National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for DCMS. However, the share of these balances attributable to the Arts Council of Northern Ireland is as shown in the accounts and, at the Statement of Financial Position date, has been certified by the Secretary of State for DCMS as being available for distribution by the Arts Council in respect of current and future commitments.

As specified in the Lottery Accounts Direction, issued by DCAL, the NLDF balance is classified as investments held for sale in the Statement of Financial Position. This is in line with the DCMS accounting policy. NLDF investments are therefore held at the lower of carrying amount and fair value less costs to sell, with any unrealised profit or loss recognised through the NLDF revaluation reserve.

d Soft and hard commitments

A grant commitment is deemed to be a soft commitment once the Letter of Offer has been drawn up and sent to the grant client. The commitment then becomes a hard commitment once the grant client has sent back a Letter of Acceptance of the amount and terms of the grant award. The commitment will remain as hard provided the client continues to meet the conditions of grant. Both Soft and Hard commitments are disclosed in Note 12 to the accounts as Grants Payable recognised as expenditure in the Statement of Comprehensive Net Income.

e Recharge of staff costs and apportionment of other operating costs

Administrative overheads and salaries are incurred by the Arts Council of Northern Ireland and paid initially from Exchequer funds. An amount is then recharged to cover the costs of staff working on Lottery Grants. A Service Level Agreement on Recharging of Salaries and Overheads between Exchequer and Lottery was approved by the Board on the 25 June 2014.

Recharges for the 2014-15 year have therefore been made in line with this agreement which stipulates that Staff Costs (including Honoraria) and relevant Overhead Costs will be recharged to Lottery at 45%.

f Pension costs

Past and present employees are covered by the provisions of the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuation of the scheme was at 31 March 2015.

Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The pension cost in respect of employees is charged to the Statement of Comprehensive Net Income so as to recognise the cost of pensions over the employees' working lives.

g Operating income

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

h Financial instruments

As the cash requirements of the Arts Council of Northern Ireland Lottery Distribution Fund are met through Lottery Funding, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with the Arts Council of Northern Ireland's expected purchase and usage requirements and the Arts Council of Northern Ireland is therefore exposed to little credit liquidity or market risk.

i Staff costs

Under IAS19 Employee Benefits, all 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 as at the year end. The cost of untaken leave has been determined using data from leave records.

j Impending application of newly issued accounting standards as yet not effective

The Arts Council provides disclosure that there are no new relevant accounting standards which it has not yet applied.

k Operating segments

The activities of the Arts council are considered to provide a single function; maintaining and developing the Arts in Northern Ireland. In terms of IFRS this is considered to be a single operating segment. It is therefore considered that no further analysis is required to meet the requirements of IFRS 8.

I Reserves

General Reserve

This is the balance arising from monies attributed to ACNI as a Distributing Body for the National Lottery Distribution Fund as certified by the Secretary of State for DCMS and the net income as reported in the Statement of Comprehensive Net Income for the year.

Revaluation reserve

This is the balance arising from any unrealised profit or loss on the revaluation of the NLDF investments classified as held for sale as reported in the Statement of Other Comprehensive Net Income for the year.

2 Prior year restatement

The implementation of the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport in December 2014 requires the following restatements to the prior year disclosures in the accounts as set out below.

The Lottery Accounts Direction requires the accounts to be prepared in accordance with the requirements of the FReM so moving the accounting basis from commitments to accruals for grant expenditure.

The impact for ACNI is that the accounting policy for lottery grant commitments has now changed. Whereby in previous years, we would only recognise those commitments at the 'hard' stage in the accounts, we now recognise all grants at the 'soft' stage when they have been approved and a contract has been issued to the applicant.

The change in accounting policy has been implemented by adjusting the opening position for 2012-13 through the reserves.

Statement of Comprehensive Net Expenditure:

	2014-15	2013-14
	£	£
Net Expenditure:		
Previously reported Net Expenditure	(2,003,675)	74,297
Effect of changes in accounting treatment	(2,812,208)	249,398
Restated Net Expenditure	<u>(4,815,883)</u>	<u>323,695</u>
Grants made in year:		
Previously reported grants made in year	11,466,963	8,207,546
Effect of changes in accounting treatment	2,832,636	(243,803)
Restated grants made in year	<u>14,299,599</u>	<u>7,963,743</u>
Grants de-committed in year:		
Previously reported grants de-committed in year	(182,873)	(271,694)
Effect of changes in accounting treatment	(20,428)	(5,595)
Restated grants de-committed in year	<u>(203,301)</u>	<u>(277,289)</u>

Statement of Financial Position:

	2014-15	2013-14
	£	£
Assets less liabilities:		
Previously reported assets less liabilities	(350,736)	1,652,939
Effect of changes in accounting treatment	(2,870,615)	(58,407)
Restated assets less liabilities	<u>(3,221,351)</u>	<u>1,594,532</u>
Grants payable:		
Previously reported grants payable	5,951,876	2,909,254
Effect of changes in accounting treatment	2,870,615	58,407
Restated grants payable	<u>8,822,491</u>	<u>2,967,661</u>

Statement of Cash Flows:

	2014-15	2013-14
	£	£
Net income / (expenditure)		
Previously reported net income / (expenditure)	(2,003,675)	74,297
Effect of changes in accounting treatment	(2,812,208)	249,398
Restated net income / (expenditure)	<u>(4,815,883)</u>	<u>323,695</u>
Increase / (decrease) in payables < 1 year		
Previously reported increase / (decrease) in payables < 1 year	3,065,641	(905,707)
Effect of changes in accounting treatment	2,812,208	(249,398)
Restated increase / (decrease) in payables < 1 year	<u>5,877,849</u>	<u>(1,155,105)</u>

Statement of Changes in Equity:

	£
General Reserve	
Previously reported balance at 31 March 2013	1,454,278
Effect of changes in accounting treatment	(307,805)
Restated balance at 1 April 2013	<u>1,146,473</u>

3 Staff numbers and related costs**Staff costs comprise:**

	2014-15			2013-14
	Permanently Employed Staff	Others	Total	£
	£	£	£	£
Wages and salaries	695,001	69,634	764,635	703,466
Social security costs	53,843	3,834	57,677	54,212
Other pension costs	132,989	10,853	143,842	128,148
Agency costs	-	41,307	41,307	63,991
Total	<u>881,833</u>	<u>125,628</u>	<u>1,007,461</u>	<u>949,817</u>

All of the staff costs were incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account on the basis of average Lottery caseload from the Arts Development Department and on other appropriate bases from the rest of the Council.

Average number of persons employed

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

	Permanently Employed Staff	Others	2014-15 Total	2013-14 Restated* Total
Arts Council of NI				
Directly employed	45	3	48	49
Staff engaged on capital projects	<u>0</u>	<u>0</u>	0	<u>1</u>
	45	3	48	50
Agency Staff	<u>1</u>	<u>7</u>	8	<u>8</u>
Total	<u>46</u>	<u>10</u>	<u>56</u>	<u>58</u>

The average number of whole-time equivalent persons employed during the year working on the Lottery Distribution Account was as follows:

Lottery Distribution Account

Directly employed	20	1	21	19
Agency Staff	<u>1</u>	<u>3</u>	4	<u>4</u>
Total	<u>21</u>	<u>4</u>	<u>25</u>	<u>23</u>

* Figures restated due to a re-analysis where staff employed on ring fenced projects have been re-categorised.

Chief Executive's Remuneration

The Chief Executive's remuneration, including backdated pay awards, during the year was £83,801 (2013-14: £83,441). The Chief Executive is an ordinary member of the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) pension scheme. A total of £49,536 (2013-14: £48,191) of the Chief Executive's employment costs have been apportioned to the Lottery Distribution fund to cover time spent on Lottery activities and expenses. This amount is included in the staff costs recharge to the Lottery Distribution fund noted above.

Pension Contributions

The NILGOSC Scheme is a defined benefits scheme, and the fund is invested in suitable investments, managed by the Committee. For 2014-15 the contribution rates were 20% employers and ranging between 5.5% and 7.5% employees (2013-14: 20% employers and ranging between 5.5% and 7.5% employees).

Exit Packages

No executive directors or members of staff of the Arts Council received any termination benefits during the year.

Pension Commitments

The Council makes employer contributions to the Northern Ireland Local Government Officers Superannuation Scheme (NILGOSC) which is a funded scheme of the defined benefit type.

All assets, liabilities and operating costs of the Council's pension scheme are recorded in the accounts of the Exchequer entity. The salary charges to Lottery in-year include a recharge of employer pension costs of £143,842 (2013-14: £128,148).

Details of this pension scheme are available within ACNI Exchequer accounts.

Off Payroll Engagements

Off-payroll engagements are those where individuals, either self-employed or acting through a personal service company, are paid gross by the employer. In line with HM Treasury requirements, the Department of Finance and Personnel requires disclosure of such engagements that were in place during 2014-15 costing over £58,200. ACNI had no off-payroll engagements commencing, ending or operating during 2014-15 (2013-14: Nil).

4a Other Expenditure

	Direct	Recharge	2014-15 Total	2013-14
	£	£	£	£
ACNI Administration Apportionment	–	374,009	374,009	352,415
ACNI Administration	25	–	25	223
NI Screen Administration	84,450	–	84,450	64,676
Small Grants Administration	88	–	88	612
Arts and Older People Administration	458	–	458	–
Re-imaging Administration	34,489	–	34,489	–
Intercultural Arts Administration	4,776	–	4,776	775
SIAP Administration	1,000	–	1,000	–
Audit Fees – NIAO	27,000	–	27,000	27,000
Audit Fees – KPMG	3,600	–	3,600	–
External Monitoring	10,497	–	10,497	8,613
Total	<u>166,383</u>	<u>374,009</u>	<u>540,392</u>	<u>454,314</u>

Of the total operating expenses of £540,392 an amount of £374,009 (2013-14: £352,415) was incurred by the Arts Council of Northern Ireland and recharged to the Lottery Distribution Account at full economic cost.

The £374,009 (2013-14: £352,415) administrative overhead apportioned to the Lottery Distribution fund comprised administrative costs and expenses incurred by the Council from which the Lottery benefited indirectly. The apportionment was made at full economic cost and calculated on appropriate bases.

During the year Council purchased no non-audit services from its external auditor.

4b Grant Funding Cross Border Touring

In 1999 an agreement was reached between Arts Council England, Creative Scotland, Arts Council of Wales and Arts Council of Northern Ireland to provide funding to enable companies and individuals to undertake cross border touring within the other Arts Council's territories. During 2010-11 a new agreement was drawn up to fund these activities from Lottery instead of Exchequer monies. During 2014-15 expenditure of £150,000 was incurred in respect of this agreement (2013-14: £150,000).

5 Income

	2014-15	2013-14
	£	£
NLDF Income:		
Investment Income	44,191	43,449
Realised Gain on Investment	–	–
Lottery Investment Returns	44,191	43,449
Proceeds from Lottery Ticket Sales	<u>10,930,077</u>	<u>9,459,382</u>
Total NLDF Income	10,974,268	9,502,831
Other Income:		
Grants Refunded	–	–
NI Screen Recoupment	4,000	61,449
Miscellaneous	–	–
Total Other Income:	<u>4,000</u>	<u>61,449</u>
Total Income	10,978,268	<u>9,564,280</u>

6 Property, plant and equipment

Property, plant and equipment held by Lottery at 31 March 2011 had no carrying amount and during 2011-12 these assets were transferred to ACNI Exchequer accounts at nil value. ACNI Exchequer is now responsible for all non-current asset purchase and maintenance. Non-current asset usage on Lottery activities is recharged from the Exchequer to the Lottery account.

7 Financial Instruments

IAS 39 requires disclosure of the role which financial instruments have had during the year in creating or changing the risks the Fund faces in undertaking its role. As the cash requirements of the Arts Council of Northern Ireland Lottery Distribution Fund are met through Lottery Funding, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Arts Council of Northern Ireland's expected purchase and usage requirements and the Arts Council of Northern Ireland is therefore exposed to little credit, liquidity or market risk.

Liquidity Risks

In 2014-15, £10.9 million or 99.56% (2013-14: £9.5 million or 98.90%) of the Arts Council's Lottery Fund's income derived from the National Lottery. The remaining income derived from investment returns from the balance held with the National Lottery Distributions Fund, £44,000 or 0.4% (2013-14: £43,000 or 0.46%), and from Sundry Income, £4,000 or 0.04% (2013-14: £61,000 or 0.64%). The Council considers that the Fund is not exposed to significant liquidity risks; it is satisfied that it has sufficient liquid resources within the NLDF and cash balances of £5.7 million as well as forecasted NLDF income to cover all current contracted commitments plus trade and other payables of £9 million. The forecasted NLDF income is based on quarterly projections received from DCMS. Current projections are to 2018-19.

Interest Rate Risks

The financial assets of the Fund are invested in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. The Council has no control over the investment of Funds in the National Lottery Distribution Fund. At the Statement of Financial Position date the Market Value of investment in the National Lottery Distribution Fund was £5.5 million. In the year the rate of return declared by NLDF was 0.50% (2013-14: 0.50%). Cash balances which are drawn down from the Fund to pay grant commitments and operating costs are held in an instant access variable rate bank account which on average carried an interest rate of 0% (2013-14: 0%) in the year. The Arts Council Lottery fund bank account has an applicable credit interest rate of base less 1%. In March 2009 the Bank of England base rate dropped to 0.5%, hence no interest has been credited to the account from this date. The cash balance at the year-end was £213,334 (31 March 2014: £403,128). The Council considers that the Fund is not exposed to significant interest rate risks.

Foreign Currency Risk

The Fund is not exposed to any foreign exchange risks.

8 Reconciliation of Movement in National Lottery Distribution Fund

The funds held in the NLDF are invested on its behalf by the National Investment and Loans Office. Up to 1996-97 the Arts received 20% of the monies paid into the Fund by Camelot, the Lottery operator, after deduction of expenses incurred by DCMS in administering the Fund, and by the regulator, the Office of the National Lottery. This percentage was reduced to 16.67% by the National Lottery Act 1998. The Arts Council of Northern Ireland receives 2.8% of the sum allocated to the Arts. Interest earned on the sums invested is apportioned to each of the Lottery distributors on the basis of their percentage of the total remaining NLDF funds at the time the interest is received.

The closing market value of investments held at 31 March 2015 by NLDF under the National Lottery Act as amended on behalf of the Arts Council of Northern Ireland Lottery Distribution Account was £5,526,879 (31 March 2014: £4,100,174).

As specified in the Lottery Accounts Direction, issued by DCAL, the NLDF balance is classified as investments held for sale in the Statement of Financial Position. This is in line with the DCMS accounting policy. NLDF investments are therefore held at the lower of carrying amount and fair value less costs to sell, with any unrealised profit or loss to be recognised through reserves.

	31 March 2015	31 March 2014	31 March 2013
	£	£	£
Balances in NLDF			
Proceeds from Lottery	10,930,077	9,459,382	10,676,254
Investment Income	44,191	43,449	57,966
Drawn down in year by Arts Council	(9,547,563)	(10,624,300)	(9,680,735)
Transfer to 2012 Olympics	–	–	(565,831)
Total decrease in Funds	1,426,705	(1,121,469)	487,684
Realised Gain on Investment	–	–	–
Movement in Revaluation Reserve	–	–	1,600
Balance as at 1 April	4,100,174	5,221,643	4,732,359
Balance as at 31 March	5,526,879	4,100,174	5,221,643

9 Trade receivables and other current assets

	31 March 2015	31 March 2014	31 March 2013
	£	£	£
Amounts falling due within one year:			
Trade Receivables	2,016	–	–
Prepayments and Accrued Income	46,911	223,872	112,499
	<u>48,927</u>	<u>223,872</u>	<u>112,499</u>

9.1 Intra-Government Balances

	31 March 2015	31 March 2014	31 March 2013
	£	£	£
Balances with other central government bodies	48,927	223,872	112,499
Subtotal: Intra Government Receivables	48,927	223,872	112,499
Balances with bodies external to government	–	–	–
Total receivables at 31 March	<u>48,927</u>	<u>223,872</u>	<u>112,499</u>

10 Cash and cash equivalents

	31 March 2015	31 March 2014	31 March 2013
	£	£	£
Balance at 1 April	403,128	224,442	283,757
Net change in cash and cash equivalent balances	(189,794)	178,686	(59,315)
Balance at 31 March	<u>213,334</u>	<u>403,128</u>	<u>224,442</u>

The following balances at 31 March were held at:

Commercial banks and cash in hand	213,334	403,128	224,442
Balance at 31 March	<u>213,334</u>	<u>403,128</u>	<u>224,442</u>

11 Trade payables and other current liabilities

	31 March 2015	31 March 2014	31 March 2013
	£	Restated £	Restated £
Amounts falling due within one year			
Accruals and deferred income	188,000	164,981	165,325
Grant hard commitments (Note 12)	8,061,491	2,967,661	4,122,422
	<u>8,249,491</u>	<u>3,132,642</u>	<u>4,287,747</u>

Amounts falling due after more than one year

Grant hard commitments (Note 12)	<u>761,000</u>	<u>–</u>	<u>–</u>
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Other Current Liabilities includes £158,342 (31 March 2014: £137,646) in respect of services and purchases rendered to or made on behalf of the Lottery Distribution Account by the Arts Council of Northern Ireland.

11.1 Intra-Government Balances

	31 March 2015	31 March 2014 Restated	31 March 2013 Restated
	£	£	£
Amounts falling due within one year			
Balances with other Central Government Bodies	696,674	548,219	716,311
Balances with Local Authorities	805,843	756,682	1,494,016
Balances with NHS Bodies	0	43,312	81,262
Subtotal: Intra Government Payables	1,502,517	1,348,213	2,291,589
Balances with Bodies External to Government	6,746,974	1,784,429	1,996,158
Total payables at 31 March	8,249,491	3,132,642	4,287,747
Amounts falling due after more than one year			
Balances with Bodies External to Government	761,000	-	-
	761,000	-	-

12 Grants Payable

	31 March 2015	31 March 2014 Restated	31 March 2013 Restated
	£	£	£
Grants payable at 1 April	2,967,661	4,122,422	7,473,724
Grants paid during the year	(8,241,468)	(8,841,215)	(8,337,608)
Grant de-commitments	(203,301)	(277,289)	(135,709)
Grants made in the year	14,299,599	7,963,743	5,122,015
Grants payable at 31 March	8,822,491	2,967,661	4,122,422
Profile of Hard Commitments over the next five years			
Amounts falling due during 2013-14	-	-	-
Amounts falling due during 2014-15	-	2,967,661	4,122,422
Amounts falling due during 2015-16	8,061,491	-	-
Amounts falling due during 2016-17	761,000	-	-
Amounts falling due during 2017-18	-	-	-
Amounts falling due during 2018-19	-	-	-
	8,822,491	2,967,661	4,122,422

Current contracted commitments total £8.2 million. The Council considers that it has sufficient liquid resources within the NLDF and cash balances of £5.7 million as well as forecasted NLDF income to cover all current contracted commitments. The forecasted NLDF income is based on quarterly projections received from DCMS. Current projections are to 2018-19.

The prior year numbers have been restated following the implementation of the Lottery Accounts Direction issued by the Secretary of State for Culture, Media and Sport in December 2014 (note 2).

13 Public/Private Grant Payment Analysis

During the financial year 2014-15 grants paid according to the following definitions were:

	31 March 2015	31 March 2014	31 March 2013
	£	£	£
Local Authorities	53,550	737,334	100,894
NHS Trusts	26,250	37,950	36,500
Other Public Bodies	–	–	500
Intra Government Payments	79,800	775,284	137,894
Payments to bodies External to Government	8,161,667	8,065,931	8,199,714
Total Payments (Note 12)	8,241,467	8,841,215	8,337,618

14 Capital Commitments

There were no capital commitments as at 31 March 2015 (31 March 2014: Nil).

15 Commitments under leases

There were no commitments under leases as at 31 March 2015 (31 March 2014: Nil).

16 Other financial commitments

There were no other financial commitments as at 31 March 2015 (31 March 2014: Nil).

17 Contingent liabilities disclosed under IAS 37

The Arts Council has no contingent liabilities as at 31 March 2015 (31 March 2014: Nil).

18 Losses and Special Payments

There were no losses or special payments during the year which required disclosure in the accounts (31 March 2014: Nil).

19 Related Party Transactions

The Arts Council of Northern Ireland is a Non Departmental Public Body sponsored by the Department of Culture, Arts and Leisure (DCAL). DCAL is regarded as a related party and during the year the Council had various material transactions with DCAL.

The Lottery Account operations of the Arts Council of Northern Ireland are funded from the National Lottery Fund through DCMS. DCMS is regarded as a related party. During the year the Council has had various material transactions with DCMS.

The Arts Council of Northern Ireland Exchequer Account is also regarded as a related party to The Arts Council's National Lottery Distribution Account. At 31 March 2015 a net amount of £158,342 (2013-14: £137,646) was owed to the Exchequer Account in respect of salary and other administrative costs incurred.

Several members of the Board of the Arts Council and members of key management staff are also involved with other arts organisations in Northern Ireland either directly or indirectly as a result of a family relationship, a close friendship or business relationship. These individuals make an annual declaration of their interests and do not take part in discussions and decisions to make grant awards to those organisations with which they have a declared interest.

A list of awards made to the organisations concerned and details of who made the declaration of interest is detailed below. All of the transactions relating to the organisations were conducted at arm's length by the Council.

Name	Nature of relationship	Organisation Name	Awarded in 2014-15	Paid in 2014-15*	Balance Outstanding as at 31 March 2015**
Board Members:					
Anna Carragher	Daughter is an employee of Culture Night	Cathedral Quarter Trust (Culture Night)	24,250	23,059	1,213
Siun Hanrahan	Board member of The Void	The Void Art Centre	49,225	24,613	24,613
Noelle McAlinden	Board member of CCA	Centre for Contemporary Art Derry – Londonderry	133,349	117,075	16,275
	Board member of Fermanagh Live	Fermanagh Arts Festival	7,300	7,300	–
Eibhlin Ni Dhochartaigh	Employee of An Gaelaras	An Gaelaras Ltd	25,000	14,905	10,095
Paul Mullan	Wife chairs All Set Traditional Music Group	All Set Cross Cultural Project	27,338	25,971	1,367
Paul Seawright	VP of Royal Ulster Academy	Royal Ulster Academy	9,068	12,927	907
	Chair of Belfast Photo Festival	Belfast Photo Festival	33,700	19,300	15,370
	Son member of Ulster Youth Choir	Ulster Youth Choir	93,077	68,698	24,379
Conor Shields	Employee of Community Arts Partnership	Community Arts Partnership	20,000	10,000	10,000
	Trustee of Cathedral Quarter Trust	Cathedral Quarter Trust	24,250	23,059	1,213
	Night Workers Education Association	Workers Education Association	–	19,015	2,113
Brian Sore	Committee Member of Arts Care	Arts Care	87,876	43,938	43,938
	PLACE	PLACE	99,225	94,021	5,204
Nisha Tandon	Board Member of Cahoots	Cahoots	9,950	9,950	–
	Director of ArtsEkta	ArtsEkta	150,844	85,322	84,922
Staff Members:					
Jane Cassidy	Husband member of BelfastTrad Board	BelfastTrad Music Society	19,400	18,430	970
	Brother married to Chair of the Ulster Branch of Comhaltas	Comhaltas Ceoltoiri Eireann	34,000	32,300	1,700
Vincent Crossey	Treasurer of Wheelworks	Wheelworks	82,450	78,328	4,123
	Supporter of Community Circus Lisburn	Community Circus Lisburn	14,395	20,873	720

Name	Nature of relationship	Organisation Name	Awarded in 2014-15	Paid in 2014-15*	Balance Outstanding as at 31 March 2015**
Lizzie Devlin	Friend is project co-ordinator in the Spectrum Centre	Greater Shankill Partnership Property Dev Co	63,030	34,556	29,675
	Friends work for Community Arts Partnership	Community Arts Partnership	20,000	10,000	10,000
	Friend is Board Member of Kabosh	Kabosh	111,725	106,352	5,373
David Gilliland	Director and Company Secretary of Arts for All	Arts for All	61,358	63,044	3,298
Suzanne Lyle	Friend of partner at RMI who are the landlord of the Golden Thread Gallery	Golden Thread Gallery	53,660	42,613	12,866
Roisin McDonough	Member of Cathedral Quarter Trust group	Cathedral Quarter Trust	24,250	23,059	1,213
Noirin McKinney	Spouse is editor of Irish Pages	Irish Pages Ltd	29,000	27,550	1,450
	Friends with Directors of Panarts	Panarts	33,555	31,877	1,678
	Niece in Kids Philharmonic	Belfast Philharmonic Society	27,280	26,195	12,338
Edel Murphy	Course tutor is Director of McCracken Cultural Society	McCracken Cultural Society	16,490	15,666	825
Gavin O'Connor	Tutor for BelfastTrad Music Society	BelfastTrad Music Society	19,400	18,430	970
	Friend works at Duncairn Culture and Arts Centre	174 Trust	57,800	32,800	25,000
Deirdre Robb	Studio member of Creative Exchange studios	Creative Exchange	6,500	6,500	0
	Friend of Lesley Cherry	Lesley Cherry	0	78	0
	Friend of David Fox	David Fox	0	3	0
Deirdre Robb	Friend of Paul Moore	Paul Moore	1,499	1,349	150
	Friend of Clinton Kirkpatrick	Clinton Kirkpatrick	930	837	93
	Friend of Derek Wilson	Derek Wilson Ceramics	0	1,500	0
Ciaran Scullion	Former manager of the Ulster Youth Choir until June 2013				
	Wife is the Ulster Youth Choir Development Officer	Ulster Youth Choir	93,077	68,698	24,379
Fionnuala Walsh	Partner Chair of PLACE	PLACE	99,225	94,021	5,204
	Partner Board Member of Digital Arts Studios	Digital Arts Studios	60,260	57,247	3,013
	Partner works for Fermanagh DC who are joint funders of Happy Days Festival	Happy Days International Beckett Festival	115,000	109,250	5,750

Name	Nature of relationship	Organisation Name	Awarded in 2014-15	Paid in 2014-15*	Balance Outstanding as at 31 March 2015**
Ann Ward	Member of Accolade Community Choir	Accolade	24,230	17,732	7,387
Sonya Whitefield	Member of Wheelworks Board from August 2014 to September 2014	Wheelworks	82,450	78,328	4,123
Debbie Young	Rents workshop space from Arts For All	Arts for All	61,358	63,044	3,298
	Facilitator at Duncairn Culture and Arts Centre	174 Trust	57,800	32,800	25,000

* Paid in 2014-15 includes payments relating to awards made in previous years.

** Balance outstanding as at 31 March 2015 includes all awards made in 2014-15 and previous years where an outstanding balance remains.

20 Third-party assets

There are no third-party assets as at 31 March 2015 (31 March 2014: Nil).

21 Events after the reporting period

There have been no events after the reporting period outside the ordinary course of business that would materially affect the Arts Council since 31 March 2015.

Date of authorisation for issue

The Annual Report and Accounts were authorised for issue on the date of certification by the Comptroller and Auditor General.

Appendix A

Revised Lottery Policy Directions to Arts Council of Northern Ireland

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

- 1 In these Directions any reference to a section is a reference to a section of the National Lottery etc Act 1993.
- 2 In determining the persons to whom, the purposes for which and the conditions subject to which it distributes any money under section 25(1), the Arts Council of Northern Ireland shall take into account the following matters:-
 - A Its assessment of the needs of the arts and its priorities for addressing them (having regard to government strategies/policies in force).
 - B The need to inspire children and young people, awakening their interest and involvement in the arts.
 - C The need to foster local community initiatives which bring people together, enrich the public realm and strengthen community spirit.
 - D The need to support volunteering and encourage volunteering in the arts.
 - E The need to encourage new talent, innovation, and excellence and help people to develop new skills.
 - F The need to involve the public and local communities in making policies and setting priorities.
 - G The need to consider projects relating to film and the moving image, and in particular the need to foster the development of sustainable structures in the film industry by, among other things, supporting the development, distribution and promotion of films, as well as their production.
 - H The need to ensure that money is distributed for projects which promote public good rather than private gain.
 - I The need to further the objectives of sustainable development.
 - J The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.
 - K The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants.
 - L The desirability of:
 - a increasing access and participation for all;
 - b ensuring that all areas have access to funding; and
 - c reducing economic and social deprivation.
 - M The desirability of working jointly with other organisations, including other distributors.
 - N The need:
 - a to set time limits for which grants are payable;
 - b to ensure that the Arts Council of Northern Ireland has the necessary information and expert advice to make decisions on each application; and
 - c for applicants to demonstrate the financial viability of projects.

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

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

Paul Sweeney

16 April 2008

Appendix B

National Lottery Development Fund (NLDF) Balance – Policy Statement

1 Background

The National Lottery provides funding for good causes to the National Lottery Distribution Fund (NLDF). After allowing for expenses, funds received by the NLDF from National Lottery are disbursed to distributors in Arts, Sports, Heritage and Big Lottery Fund for onward transmission to spending organisations and individuals.

The Lottery Shares Order Act, which was enacted in November 2010, determines the percentage of funds allocated to NLDF for each of the 4 categories above. For the financial years 2012-13 to 2016-17 the share of NLDF funds allocated to Arts, Sports, Heritage is 20% each with the Big Lottery Fund receiving 40%.

Cash Balances held by NLDF are invested on behalf of it by the National Investment and Loans Office and investment income earned by NLDF is apportioned between its distributors on the basis of the funds held by NLDF on behalf of individual distributors at the date of receipt of investment income.

Arts Council of Northern Ireland (ACNI) is the distributor for the Arts in Northern Ireland and is one of the Arts organisations funded by NLDF alongside: Arts Council England; Arts Council of Wales; Creative Scotland and the British Film Institute. ACNI is allocated 0.56% of NLDF's net income per annum until 2016-17.

Each distributor draws down funds from NLDF against its allocation and after deduction of administration costs, distributes such funds as grants. All distributors operate at arm's length from Government and make their grant decisions independently of Government, in response to applications for funding which they receive directly.

2 ACNI NLDF Policy

2.1 Introduction

ACNI's policy in relation to NLDF is based on the guidance of the National Lottery Guidance Note 1/03: Management of National Lottery Distribution Fund balances.

ACNI adopts a consistent approach to commitment with well managed risk taking which avoids excessive caution but which has due regard to the income flows of and the need to safeguard whatever commitments are made by potential recipients. ACNI carries out regular reviews of project plans to identify changes in circumstances (e.g. delays in capital projects) which would enable increases in funding elsewhere.

2.2 NLDF balances

ACNI's NLDF Balance comprises the following

- 1 Balances held by NLDF not yet drawn down; and adjusted by
- 2 Balances drawn down by ACNI from NLDF but not yet distributed (this includes amounts forwarded by ACNI to NI Screen and not distributed).

ACNI's policy is to maintain its NLDF balance at a prudent level based on a realistic assessment of its needs and the availability of funding from NLDF. ACNI's NLDF balance will be set at a level that will maximise its ability to achieve its strategic objectives, that will ensure that present commitments are not compromised and that will not impair or constrain its ability to enter into future commitments.

The following statement will be included in the annual report and accounts:-

'Although income is not entirely within its control, ACNI has arrived at the proposed target level of balance which has been expressed as a range, by making realistic assessments of forecasts for levels of income in future years (based on NLDF forecasts), and ACNI's assessment of:

- Both the 'upside' and 'downside' risks to those forecasts;
- Its forecasts for expenditure in future years on the basis of commitments made and planned activity;
- Its analysis of any future needs, opportunities, contingencies or risks which are not likely to be able to be met out of income if and when they arise; and
- for ACNI of not being able to meet them.

Having carefully considered the above, ACNI has agreed that the target NLDF balance will be in the following ranges:-

31 March 2015	between £Xm and £Ym;
31 March 2016	between £Xm and £Ym
31 March 2017	between £Xm and £Ym;

3 Management of NLDF balances –

ACNI manages its NLDF balance by using a range of management tools including:-

3.1 Management Accounts

ACNI will manage its NLDF policy target by introducing Lottery Fund Management Accounts to monitor activity and to enable programme expenditure to be increased or decreased as required in line with NLDF balance targets.

Management Accounts will compare actual outturns with budget, including actual and budget NLDF balances. Variances against budget will be identified and explained.

3.2 Good practice

ACNI is committed to best practice and continuous improvement in its management of NLDF funds, subject to compliance with Financial Directions. ACNI has adopted and will continue to pursue good practice policies in relation to managing NLDF funds including:-

- Committing Lottery Funds further in advance and improving cash management systems;
- Reducing the time between an in-principle commitment and initial drawdown of funds;
- Reducing the time between award of grant and first drawdown;

3.3 KPI s

ACNI will continue to use KPIs appropriate to the policies and targets adopted. These will include:-

The 'Quicker Turnaround KPI'

100% of decisions to be made within published deadline. This will be calculated using reporting from the GIFTs system.

The 'Quicker Close Out KPI'

90% of grants to be closed out within two months of the project end. This will be calculated using reporting from the GIFTs system.

3.4 Costs of administering NLDF funding

ACNI seeks to recover its reasonable costs for administering NLDF funds. The level of such costs is kept under review and is subject to Board agreement.

Appendix C

The position of the NLDF is monitored against the estimated share of the projected Lottery income available for distribution as communicated in the latest communication from DCMS on this, dated of 29 January 2014.

Estimated Income to good causes as per DCMS forecast 29 Jan 14	13-14 £000	14-15 £000	15-16 £000	16-17 £000	17-18 £000	18-19 £000
Non-investment income	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Investment income	<u>10,000</u>	<u>10,000</u>	<u>15,000</u>	<u>30,000</u>	<u>35,000</u>	<u>45,000</u>
Total income	1,810,000	1,810,000	1,815,000	1,830,000	1,835,000	1,845,000
£2 game launch adjustments	<u>55,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Net income	<u>1,755,000</u>	<u>1,820,000</u>	<u>1,825,000</u>	<u>1,840,000</u>	<u>1,840,000</u>	<u>1,850,000</u>
Net income rounded to the nearest £50 million as per paper	1,750,000	1,800,000	1,800,000	1,850,000	1,850,000	1,850,000
Arts Council of Northern Ireland portion of 0.560%	9,828,000	10,192,000	10,220,000	10,304,000	10,304,000	10,360,000
Arts Council of Northern Ireland portion of 0.560% of the rounded figure	9,800,000	10,080,000	10,080,000	10,360,000	10,360,000	10,360,000

Appendix D NLDF - Monitoring Control Sheet

Arts Council of Northern Ireland Lottery budgets

	14-15	15-16	16-17	17-18	18-19
	£000	£000	£000	£000	£000
Surplus/deficit b/f	1,714,606	733,705	(764,857)	(1,191,783)	(685,277)
Estimated Income as per DCMS forecast 29 Jan 14	10,080,000	10,080,000	10,360,000	10,360,000	10,360,000
De-commitments (estimate at approx 1%)	100,000	100,000	100,000	100,000	100,000
Total Income	11,894,606	10,913,705	9,695,143	9,268,217	9,774,723
ACNI Apportionment re-charge and direct Lottery overhead costs	1,338,332	1,338,332	1,338,332	1,338,332	1,338,332
Available to grant programmes	10,556,274	9,575,373	8,356,811	7,929,885	8,436,391
Programme Expenditure	£	£	£		
Small Grants/Start up	500,000	500,000	500,000	500,000	500,000
Intercultural Programme	100,000	100,000	100,000	100,000	100,000
Annual Funding	4,611,874	4,335,162	4,335,162	4,335,162	4,335,162
Annual funding – potential new clients		250,000	250,000	250,000	250,000
Project Funding	1,500,000	1,750,000	1,750,000	1,750,000	1,750,000
Arts & Older People	100,000	100,000	100,000		
SIAP	400,000	700,000	700,000	700,000	700,000
NI Screen	844,502	720,068	628,432		
the Space	50,000	50,000	50,000		
UK Cross Border Touring	150,000	150,000	150,000	150,000	150,000
NI Music Touring	91,193	150,000	150,000	150,000	150,000
Re-Imaging	600,000	600,000			
Capacity Building/Feasibility studies/econ appraisals	100,000	100,000	100,000	100,000	100,000
Public Art	250,000	250,000	250,000	250,000	250,000
Mental Health & Wellbeing		100,000	100,000	100,000	100,000
Belfast flagship project	250,000	200,000			
Creative Apprenticeships	50,000	135,000	135,000	130,000	
Derry Legacy	150,000	150,000	150,000		
Visual Arts Dev Fund	75,000				
Community Arts Rural pilot programe			100,000	100,000	100,000
Total Programme Expenditure	9,822,569	10,340,230	9,548,594	8,615,162	8,485,162
Deficit/Surplus	733,705	(764,857)	(1,191,783)	(685,277)	(48,771)

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