



## ***MEDIA RELEASE***

### **Governance Issues in Sport Northern Ireland**

The handling of governance issues arising within Sport Northern Ireland (Sport NI) has cost the public purse an estimated £1.5 million<sup>1</sup>, according to a report published today (11<sup>th</sup> March 2020) by the Comptroller and Auditor General, Mr Kieran Donnelly CB.

The report on “Governance Issues in Sport Northern Ireland” examines the circumstances around a period of internal instability and change within the organisation. This included the suspension of Sport NI’s Chief Executive Officer in March 2015 and a subsequent disciplinary process which resulted in her dismissal subject to appeal, which was later overturned; the resignation of nine Sport NI Board members in July 2015; and the resignation of its Chair and Vice Chair in March 2016. It also examines the adequacy of the governance, leadership and Departmental oversight of Sport NI during this period.

The report found that there was a serious breakdown in relationships at the top of the organisation.

Significant gaps in documentation were also found in relation to key areas of governance, including the setting of transformation objectives for the Chief Executive Officer when she took up post. The report concluded that Sport NI fell far below the accepted standard of public record keeping essential in the public sector in order to support accountability.

Sport NI required support to deal with the governance issues arising, incurring additional legal, HR and staff costs – these costs were borne out of the organisation’s existing budget. The Department for Communities (previously the Department for Culture, Arts and Leisure<sup>2</sup>) also incurred costs in relation to a Sport NI transformation programme and recruitment.

Commenting on the findings of the report, Mr Donnelly said:

*“This report reflects fundamental failings in the governance of Sport NI over a sustained period, failings which cost an estimated £1.5 million. It is unacceptable that the resolution of issues arising from relationship breakdowns within Sport NI were allowed to drift for four years, distracting Sport NI from its core business of promoting sport and physical recreation.*

*“There are wider lessons for sponsor departments and Arm’s Length Bodies noted in this report. Good relationships between the Board, the Chief Executive Officer and Senior Management are key if an Arm’s Length Body is to operate effectively. Signs of relationship breakdown within senior levels*

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<sup>1</sup> Estimated additional costs incurred by Sport NI, the Department for Culture, Arts and Leisure, the Department for Communities and the Northern Ireland Audit Office over the five year period to 31 March 2019.

<sup>2</sup> Sport NI is currently sponsored by the Department for Communities. Prior to 9 May 2016, Sport NI was sponsored by the Department of Culture, Arts and Leisure

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*should be addressed by the body's Board as a corporate governance priority, and sponsor departments must be proactive in assessing the situation and taking appropriate action."*

The report also notes that there were significant delays in the submission of Sport NI's financial statements. In 2018, the Sport NI financial statements for 2014-15, 2015-16, 2016-17 and 2017-18 were all in a backlog position. However, these financial statements have now been certified and the financial statements for 2018-19 will be certified in the next few months.

Mr Donnelly commented:

*"I am concerned that Sport NI has taken over two years to return its preparation of financial statements to the expected standards and timetable since the return of the Chief Executive Officer and the strengthening of the Board. The preparation of financial statements to an acceptable standard and on a timely basis is a key governance requirement, providing accountability for the funds made available to a body."*

ENDS

#### **Notes for Editors**

1. Sport NI's current Chief Executive Officer, Ms Antoinette McKeown, was appointed in September 2013. In March 2015, the Sport NI Board suspended Ms McKeown, to undertake an investigation into leadership issues. Following the completion of the investigation and subsequent disciplinary action, the Board dismissed Ms McKeown in November 2016. Ms McKeown lodged an appeal and the Board subsequently overturned its dismissal decision. Ms McKeown returned to work as Sport NI's Chief Executive Officer on 31 July 2017.
2. In preparing this report the Northern Ireland Audit Office sought contributions from both the Department for Communities and Sport NI. By convention these contributions are provided by Accounting Officers. In this case, the Sport NI Board was asked to respond on behalf of Sport NI. This reflected two issues:
  - Asking the current Sport NI Chief Executive Officer / Accounting Officer (Ms McKeown) to lead on Sport NI input would have prompted a potential conflict of interest on those matters where the Chief Executive Officer's personal interests had been directly opposed to the interests of Sport NI, for example, the Sport NI disciplinary process against the Chief Executive Officer.
  - For a substantial period covered by this report (10 March 2015 to 30 July 2017), the Chief Executive Officer was first suspended and then dismissed from her post.
3. For the purposes of this report Ms McKeown has been regarded as a third party. Relevant extracts of the report were provided to her for comment from her personal perspective. A number of other third parties, either named or identifiable from the report, also received copies of extracts relevant to them for comment.
4. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with

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which departments and public bodies use their resources. His reports are published as Assembly papers.

5. This report is available from the Audit Office website at [www.niauditoffice.gov.uk](http://www.niauditoffice.gov.uk). The report is embargoed until 00.01 hrs on 11<sup>th</sup> March 2020.
6. Background briefing can be obtained from the Audit Office by contacting Mr Andrew Allen (028 9025 1019).