



Northern Ireland Audit Office

Sport NI's Project Management and Oversight of the St Colman's Project



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
10 December 2013



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Published 10 December 2013

This report has been prepared under Article 8 of the Audit (Northern Ireland) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of that Order.

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Northern Ireland Audit Office

Comptroller and Auditor General

10 December 2013

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Abbreviations

DSD	Department for Social Development
GAA	Gaelic Athletic Association
HMRC	Her Majesty's Revenue and Customs
IFA	Irish Football Association
IRFU	Irish Rugby Football Union
IDM	Investment Decision Maker
NIAF	Northern Ireland Athletics Federation
NIAO	Northern Ireland Audit Office
NMDC	Newry and Mourne District Council
SRO	Senior Responsible Owner
UCC	Ulster Camogie Council

Executive Summary



Executive Summary

1. Sport Northern Ireland (Sport NI) is a non-departmental public body of the Department of Culture, Arts and Leisure (the Department) which has responsibility for the development of sport in Northern Ireland. In July 2010 Sport NI approved an investment of £1.4 million in a £2.4 million project to develop sports facilities at St Colman's College, Newry. There was a further £0.9 million public investment from Newry and Mourne District Council and the Department for Social Development. The new facilities opened in November 2011.
2. In December 2011 a journalist contacted Sport NI to raise concerns regarding the accuracy of statements made within the business case for the project. In response Sport NI conducted three separate investigations all of which, in essence, concluded that the reporter's assertions could not be substantiated.
3. The journalist was not satisfied with Sport NI's response and contacted the Northern Ireland Audit Office (NIAO) in January 2012 to raise a number of concerns regarding:
 - the accuracy of statements made in the business case for the project;
 - the significance of the re-scoping of the project;
 - the effectiveness of partnership arrangements; and
 - the quality of project management.
4. We reviewed the business case and found that it:
 - underestimated the costs of the project;
 - failed to provide a rigorous assessment of a potential VAT liability; and
 - contained a number of erroneous statements.
5. Before approval to provide financial assistance to the St Colman's project was granted Sport NI conducted an assessment of the business case and identified a number of deficiencies. It failed, however, to ensure that the deficiencies were addressed and, as a result, the project encountered affordability issues.
6. In order to address affordability issues a number of fundamental changes were made to the project specification, including:
 - the upgrade of two existing pitches was dropped from the specification;
 - the athletics track was downgraded from eight lanes to six lanes; and
 - the removal of a 'synthetic D'¹ required for the high jump.

The cost saving from the removal of the synthetic D was £11,000; however it was later reinstated at a cost of £113,000.

1 A 'synthetic D' is the area inside the track which is used for the run up to the high jump.

7. Project management and oversight arrangements were poor. Project roles were not formally allocated until two months after the construction phase of the project had commenced and there was a lack of communication and cooperation between Sport NI and the other funders. A number of key decisions were taken by St Colman's College without any consultation with the funders despite substantial public sector investment.
8. The first two investigations undertaken by Sport NI failed to comply with the principles of a good investigation. In particular, no terms of reference was established for either assignment and no contact was made with the journalist. There is a risk that the third investigation, conducted by internal audit in Sport NI, was compromised as a result of earlier investigations.

Recommendations

Recommendation 1

We recognise that there is a need for public bodies to apply proportionality in reviewing a business case and we accept that a certain level of assurance will be taken from the fact that the business case was prepared by consultants. However, it is disappointing that Sport NI identified a number of valid issues through its assessment of the business case but failed to ensure that these were addressed. This later impacted on the affordability of the project.

Public bodies must ensure that business case assessments are robust and any issues identified as a result of an assessment must be considered and addressed.

Recommendation 2

The Sport NI internal audit report claims that it relied on the fact that other funders "*had a duty to satisfy themselves as to the accuracy of the business case*". We recognise that there are costs involved in undertaking an assessment of a business case and where there is more than one public body involved in a specific project it is reasonable to expect that one of the bodies involved may prepare an assessment upon which the others rely. However, arrangements should be clearly agreed and documented and a copy of any assessment performed should be made available for consideration by all relevant parties.

Recommendation 3

The St Colman's project encountered issues with affordability as a result of overly optimistic cost estimates and an inadequate provision for the VAT liability. In order to address the shortfall, the St Colman's project was re-scoped on two occasions resulting in significant changes to the project specification. It is not unusual to revisit a project specification where there is a shortfall in funding however, in our view, where substantial changes are made to a project after a business case has been approved the business case should be revisited and the project should be reappraised.

Executive Summary

Recommendation 4

Sport NI failed to consult with the other funders involved in the St Colman's project and did not notify the Department of the changes to the scope of the project. In our view, where it becomes clear that it will not be possible to deliver a project on time, within budget or to the agreed specification public bodies have a duty of care to ensure that they consult with all relevant parties.

Part One: Introduction



Part One: Introduction

Background Information

1.1 Sport Northern Ireland (Sport NI) is a non-departmental public body of the Department of Culture, Arts and Leisure (the Department) which has responsibility for the development of sport in Northern Ireland. The corporate vision is to promote *"a culture of lifelong enjoyment and success in sport which contributes to a healthy, fair and prosperous society"*. In practice, this means Sport NI is responsible for creating and developing programmes and partnerships that will address its three strategic objectives:

- increased participation in sport and physical recreation;
- improved sporting performances; and
- improved efficiency and effectiveness in the administration of sport.

1.2 To assist Sport NI in its delivery of the objectives of the Northern Ireland Strategy for Sport and Physical Recreation, Sport Matters, it created a Building Sport Programme (the Programme). The Programme awards grants to organisations for capital costs associated with the purchase, improvement, re-establishment, construction or creation of an asset.

1.3 In November 2006, St Colman's College, Newry (St Colman's) applied to the Programme for financial support to develop the school's sports facilities. The aim of the project was to create a

centre for sporting excellence through the expansion of its current sports field provision from two turf surface pitches to include a further two fenced and floodlit synthetic pitches. A fully sized polymeric athletics facility for athletics and training purposes was also to be installed next to the pitches. This was regarded as a unique and innovative project that would result in a school opening up its sporting facilities for the benefit of the wider community. Sport NI told us that:

- utilisation rates at the new facility have exceeded expectations and the project is expected to surpass the five year targets set within the sports development plan;
- 5,234 school participants (including pupils from St Colman's and other local, regional primary and secondary schools and further and higher education colleges) and 8,304 local council participants took part in physical activity at the facility in the period 1 April 2012 to 30 September 2013; and
- the facility has also hosted a number of high profile events including the Sport Aid Relief Mile, the 'Keep on Running' Guinness World Record Attempt, the Paralympics Torch Event and the All Ireland National Under 14 Hurling Blitz competition.

1.4 St Colman's provided the land for the project (which had an estimated value of £2 million) and Sport NI supported the project with an investment of £1.4

million, more than 50 per cent of the total final cost of the project. There was also further public investment by the Newry and Mourne District Council (NMDC) and the Department for Social Development (DSD). NMDC and DSD funded the project to secure community access to the new facility. One of NMDC's key objectives was the development of an athletics track that would become a preferred venue for regional sporting events. It was planned that the new facility would be operated in partnership between St Colman's and NMDC. St Colman's would have responsibility for the management of the site during the school hours and NMDC would operate the facilities at all other times. NMDC would be responsible for the maintenance and renewal of the synthetic facilities. Figure 1 provides a breakdown of the funding provided.

1.5 The new facilities were opened in November 2011 but by January 2012 the athletics track was closed for 12 weeks to allow for the installation of a high jump 'D' that had been removed from the original project specification in order to address issues with affordability.

1.6 In December 2011 a journalist contacted Sport NI. Over the following four months he raised a total of ten questions regarding the accuracy of statements made within the business case (see Appendix 1). In response to the questions raised, Sport NI conducted a number of investigations:

- The Director of Corporate Services investigated the concerns raised by the journalist and concluded that *"the assertions within the business case were well grounded and in line with normal practice"*;

Figure 1: Funding of the St Colman's Project

Funder	Funding committed as per business case £'000	Actual funding provided to date £'000	Percentage of funding provided to date	Increase/(Decrease) in funding in funding £'000
Sport NI	1,500	1,378	54%	(122)
NMDC	590	590	23%	-
DSD	200	313	12%	113
St Colman's College	45	283	11%	238
GAA	170	-	-	(170)
TOTAL	2,505	2,564		59

Source: NIAO (based on information provided by Sport NI and St Colman's College).

Part One: Introduction

- In March 2012, the Department wrote to Sport NI to express concern that it had not been notified of the issues raised by the journalist. This prompted the Chair of the Audit Committee to conduct a review and he reported that he was *"satisfied that there was no substance to the questions raised"*.

1.7 Sport NI's Internal Auditor subsequently undertook a review and, in November 2012, reported that the review had *"identified a number of references within the business case which are not an accurate reflection of actual events and circumstances"*, however the report concluded that *"Internal Audit is unable to substantiate the assertions made by the journalist"*. The executive summary of the report reflects that *"Internal Audit is unable to either substantiate or repudiate the assertions made by the third party"*.

1.8 In January 2012, the journalist contacted the Northern Ireland Audit Office (NIAO) to raise a number of concerns, (Appendix 2 provides a comprehensive list). In particular, the journalist's questions raised concerns about:

- the accuracy of the statements made in the business case;
- the significance of the re-scoping of the project;
- the effectiveness of partnership arrangements; and
- the quality of project management.

1.9 We undertook a review of the St Colman's project which focused on a number of issues including:

- the role of Sport NI in managing and monitoring the project;
- the relationships between funders and other stakeholders; and
- how the project specification evolved during the life of the project.

1.10 Our report is structured as follows:

- Part Two – Project management and delivery.
- Part Three – Responding to the journalist's complaints.

Part Two: Project Management and Delivery



Part Two: Project Management and Delivery

Key Findings:

The business case:

- underestimated the costs of the project;
- failed to provide a rigorous assessment of a potential VAT liability; and
- contained a number of erroneous statements.

Sport NI conducted an assessment of the business case however it failed to ensure that the issues raised by the assessment were addressed.

The scope of the project was significantly reduced in order to address affordability issues.

The 'synthetic D' was removed from the project specification at a saving of £11,000. It was later reinstated at a cost of £113,000.

There was a lack of communication between funders. Sport NI did not keep partners or the Department informed of changes made to the project specification.

Project management arrangements were poor, project roles were not formally allocated until two months after the construction phase of the project had begun.

The Business Case was inaccurate

2.1 *"A Business Case indicates if an investment makes good business sense. It documents a series of potential options, identifying a preferred option for taking the investment forward based on comparison of the costs, risks and benefits of all the options."*²

2.2 Public bodies must assess applications for funding to determine whether projects are affordable, in line with strategic objectives and represent value for money. The most effective way of informing any assessment is through the preparation of a robust and accurate business case.

2.3 In 2006, St Colman's applied to Sport NI's 'Building Sport Programme' for financial support for the development of sports facilities. In January 2007 Sport NI informed St Colman's that following success at stage one of the application process, it needed to proceed to appoint a consultant to produce a business case for the project. St Colman's appointed consultants from Sport NI's select list.

2.4 The original business case was prepared in 2008 and relied on information contained within a sports development plan that had been approved by Sport NI. Although the business case was completed initially in 2008 funding did

not become available for the project to proceed until 2010. Because of the time delay, the consultants were re-engaged to update the information in the business case. However, the scope of the update was limited and did not include a review of the costs provided in 2008. We reviewed the final business case that was submitted to the Department of Culture, Arts and Leisure for approval and, in our view, it was inaccurate in a number of material respects.

The business case under-estimated the costs of the project

2.5 The final business case estimated a total cost of £2.5 million to deliver the proposed facilities at St Colman's. This cost estimate had been established in 2008 and although the consultants were engaged to update the business case in May 2010, this did not include revisiting the cost estimates. In July 2010, immediately after the submission of the final business case, design consultants appointed to produce a detailed specification of the proposed project indicated that it was unaffordable at the current specification. At that time the cost was estimated at £3.47 million, almost 40 per cent more than the estimated cost submitted in the July 2010 business case. The funding available for the project, subject to approval, was £2.46 million; this represented a shortfall of almost 30 per cent. On 9 September the Department asked Sport NI "how optimism bias will be managed". In a response on 10 September Sport

NI told the Department that "should the tendered figure prove higher than the secured funding package, then a Bill of Reductions will be applied to the scheme to bring it back within the fundable budget". However Sport NI was already aware of a substantial shortfall at that time and did not make the Department aware of this.

The business case failed to provide a rigorous assessment of a potential VAT liability

2.6 There are significant cost implications associated with the VAT status of a project and the recoverability of VAT. A number of factors made the VAT status of the St Colman's project unclear:

- St Colman's was recognised by HMRC as having charitable status for VAT purposes and it would retain ownership of the sports facilities; however
- there was a license agreement between St Colman's and NMDC and it provided funding for the project. This created confusion with regards to any VAT liability which the project might incur.

In June 2008, Sport NI produced an assessment of the business case and identified concerns regarding the uncertainty of the VAT position. Despite recognising concerns, Sport NI failed to ensure that the business case contained a rigorous assessment of VAT and, as a result, it significantly underestimated the

Part Two: Project Management and Delivery

VAT liability. It took more than two years to clarify the VAT position with HMRC. In October 2010, after the first tendering competition had been completed, it was confirmed that there would be no VAT relief for the project and this resulted in an increased liability to the project cost of approximately £300,000.

The business case indicated that funding had been secured from the GAA Down Council subject to a user agreement. However there was conflicting correspondence regarding the availability of this funding

2.7 The funding arrangements provided in the final business case indicated that, with negotiations at a final stage, £170,000 had been secured from the GAA Down Council subject to legal user agreement. In its approval letter, the Department identified a number of conditions, one of which was that Sport NI must obtain a letter of support from Down GAA. However, an email exchange between the business case consultants and St Colman's in June 2010 reflects that *"while Down GAA was fully supportive of the project it could not confirm availability of funding"*. Sport NI subsequently received a letter from Down GAA via email on 20 July, confirming that it was committed to providing a funding contribution of €200,000. In the end, Down GAA did not provide any financial contribution towards the total final cost of the project and Sport NI has been unable to provide any confirmation of the date on which the funding commitment was withdrawn.

The business case contained a number of other erroneous statements

2.8 (a) *"A number of local clubs would be initially adversely affected by the leisure facility development including Carnbane FC, Hollow Ground FC and Bosco GFC."*

Although there is a Bosco GFC and a Carnbane League based in Newry we were unable to obtain any evidence of a Hollow Ground FC. Sport NI's Internal Auditor investigated this issue (paragraph 1.7) and reported that this was *"due to an error in recording during the fact finding stage"*. Sport NI's internal audit report concludes that it *"does not consider this particular issue to be material"* and that *"other funders who informed the business case in particular NMDC had a duty to satisfy themselves as to the accuracy of the business case"*.

(b) *"The motorway by-pass development currently underway will result in the region of five and six acres of playing fields currently being used for gaelic and soccer being consumed with no alternative facilities available."*

The journalist stated that at the time of the business case submission the motorway had been opened and that no pitches gaelic or otherwise had been lost. Indeed after realignment, an additional mini-soccer pitch was gained. NMDC confirmed that 2.5 acres of land was

lost due to a combination of the by-pass development, a new building and car parking. A further 4.5 acres of land under letting agreement to the Carnbane League was also lost as the private sector letting company asked for this land to be vacated. However, NMDC also confirmed that it acquired 6.73 acres of land in July 2009 to compensate for the loss of facilities to the motorway development.

- (c) *"The resurfacing of the pitch at Newry Olympic Hockey Club would result in the displacement of five-a-side football groups as the facility would be used exclusively for hockey."*

In response to questions raised by the journalist, Newry Olympic Hockey Club stated that the business case did not reflect the Club's views. *"Newry Olympic Hockey Club relies upon its use as a multi-sport facility as it would simply be unsustainable as a hockey only facility. Our redevelopment was largely funded by Sport NI and the sports development plan and associated documents are publically available documents. They clearly demonstrate the Club's intention to provide a multi-sport facility. The Club was not consulted in relation to the development of sports facilities at St Colman's College."*

- (d) The business case indicated that there had been consultation with Disability Sport however, Disability Sport NI confirmed that it was not consulted and that it was not involved in the design of the sport facilities or consulted on access issues during the design and construction phases of the project.
- (e) The business case identifies a number of partners including the Irish Rugby Football Union Ulster branch (IRFU). IRFU is identified in the sports development plan as anticipating participation of 566 coaching hours per year, and the business case also commits it to providing income of £3,000 per year with a one hour per week allocation to the IRFU development squad. However, there has never been a user agreement with the IRFU and there was a delay in obtaining certification for Rugby.
- (f) The preferred option selected in the business case includes the provision of raised seating for spectators at the athletics track however, this was not delivered as part of the project. Sport NI informed us that the raised seating was never included in the project specification. Despite this, there are references to the provision of raised seating in the Letter of Offer³ and the Memorandum of Understanding⁴.

3 A Letter of Offer is a formal document which should set out the conditions under which a funding award is made and must be agreed by the funding recipient.

4 A Memorandum of Understanding is a formal agreed document which should establish clear lines of accountability which provide transparency as to who is accountable for what and to whom.

Part Two: Project Management and Delivery

Oversight of the Business Case

2.9 The business case was reviewed by Sport NI and the Department on three separate occasions. Sport NI completed an initial assessment of the business case in June 2008. The assessment recommended that the business case should:

- make a stronger case for the investment of public funds;
- provide evidence to confirm partnership funding from NMDC, GAA and DSD; and
- present a rigorous assessment of the VAT options.

A further assessment was undertaken by Sport NI in May 2010 and it raised issues regarding the needs assessment and monetary costs and benefits. The Department completed its own review of the business case in July 2010 and asked Sport NI to consider need and to ensure that cost estimates were up-to-date.

2.10 Sport NI told us that it would consider that *"a robust and appropriate level of quality assurance review of the business case took place by both Sport NI and the Department"*. However, the issues raised by the assessments were not, in our view, adequately addressed by Sport NI and as a result:

- the business case contained a number of erroneous statements; and

- the project encountered affordability issues due to overly optimistic cost estimates and an increased VAT liability of approximately £300,000.

Recommendation 1

We recognise that there is a need for public bodies to apply proportionality in reviewing a business case and we accept that a certain level of assurance will be taken from the fact that the business case was prepared by consultants. However, it is disappointing that Sport NI identified a number of valid issues through its assessment of the business case but failed to ensure that these were addressed. This later impacted on the affordability of the project. Public bodies must ensure that business case assessments are robust and any issues identified as a result of an assessment must be considered and addressed.

Recommendation 2

The Sport NI internal audit report claims that it relied on the fact that other funders *"had a duty to satisfy themselves as to the accuracy of the business case"*. We recognise that there are costs involved in undertaking an assessment of a business case and where there is more than one public body involved in a specific project it is reasonable to expect that one of the bodies involved may prepare an assessment upon which the others rely. However, arrangements should be clearly agreed and documented and a copy of any assessment performed should be made available for consideration by all relevant parties.

The scope of the project was significantly reduced

2.11 In order to address affordability issues the project specification was revisited.

An initial reduction in scope took place at design stage, when it was realised costs would be greater than estimated in the business case

In July 2010, immediately after the submission of a final business case, design consultants appointed to produce a detailed specification of the proposed project estimated that it would cost £3.47 million and indicated that the project was unaffordable at the current specification. As a result of a detailed analysis of the costs, £0.56 million of the cost reduction was attributed to the design consultant's lack of knowledge and understanding. However, significant changes were made to the proposed facilities in order to address the remaining affordability issues and to bring project into line with the £2.5 million of funding committed in the business case. The changes included:

- the upgrade of two existing pitches was dropped from the specification;
- the athletics track was reduced from eight lanes to six lanes; and
- a reduction in the cost of site works of more than 50 per cent.

The design consultants reviewed the assumptions underlying the projected

costs and issued a revised detailed design specification to St Colman's and Sport NI on 2 September 2010.

The scope of the project was further reduced when it was confirmed that VAT would be payable

In October 2010, expert VAT advice confirmed that there would be no VAT relief for the project and this increased the cost of the project by approximately £300,000. In order to address the affordability issue that this created there was a second tender competition for the contract and a revised tender price of £1.87 million (the tender price did not include professional fees of £123,000 and VAT of £398,000 which brought the estimated total project cost to £2.39 million). With funding for the project of £2.34 million, there was a projected shortfall of £50,000. In order to address this funding shortfall the contractor, in consultation with the project manager, completed a value engineering exercise in November 2010 which identified savings of £46,000 plus VAT. One of the items identified as a cost saving was the replacement of the 'synthetic D' at one end of the track with grass surfacing. At this stage the 'synthetic D' required for the high jump was removed resulting in a saving of £11,000. The Sport NI internal audit report states that *"in agreeing the removal of the high jump fan, it was envisaged that grass run-ups to the high jump would be used instead"*. However, Sport NI officials advised us that they did not understand the term 'synthetic D' and the significance to the project

Part Two: Project Management and Delivery

and that a technical assessment was not completed by Sport NI due to issues with internal workload.

A member of the public brought the omission of the 'synthetic D' from the athletics facilities to the attention of NMDC in July 2011. On 8 November 2011, the Contractor submitted a revised proposal to reinstate the 'synthetic D' at a cost of £113,000, ten times the saving made as a result of removing it from the original specification. Sport NI indicated that the additional costs were as a result of having to protect the new track and reinstate site access in order to complete the construction. Sport NI has stated that it regrets this oversight and that its officials did not understand the significance of this change to the project specification. It is concerning, given that Sport NI is the leading public body for the development of sport in Northern Ireland, that it failed to recognise the significance of a 'synthetic D' in the development of an athletics facility. Under such circumstances it would have been appropriate for Sport NI to consult with the other funders to assess any potential impact of the changes proposed to the specification.

There were difficulties in the operation of the Partnership Arrangements between the different funders

2.12 It is not unusual to re-scope projects when a detailed cost specification raises affordability issues. Cost reductions

can be made in a number of ways: by reducing the quality of the finish or by omitting particular costs which will not affect the business outcome and can be addressed when funding becomes available later. However, when there is a significant change made to a project specification that will have an impact on delivery, public bodies must revisit the original objectives to ensure that the re-scoped project will deliver the desired outcomes.

2.13 As outlined in Figure 1 the project received financial assistance from a number of sources, including DSD and NMDC. One of the key objectives for NMDC was to develop an athletics track that could host major competitions and events. The changes to the project specification could have impacted on the ability to meet this objective and NMDC should have been given an opportunity to consider any implications. In this case DSD and NMDC have stated that they only became aware of the changes to the project specification when Sport NI issued the Letter of Offer in December 2010.

2.14 Delegated limits for business case approval dictate that all Sport NI capital projects with funding in excess of £0.25 million must be approved by the Department (this was revised to £0.5 million in November 2010). Under this requirement Sport NI submitted the business case to the Department in July 2010 and the Department issued its approval on 15 September 2010. This decision was based entirely upon the

information contained within the final business case. Sport NI did not notify the Department of the changes made to the project specification through the detailed cost specification process.

2.15 We consider that the changes made to the detailed specification were significant and Sport NI should have reported these to the Department and the other funders for consideration as soon as it became aware of the affordability issue. As a result the Department approved funding, on the basis of the information presented to it at that time, for a project that had been substantially reduced in terms of its scope.

2.16 The revised project cost was agreed on 8 December 2010 and a draft Letter of Offer was issued to all of the funders at a meeting on 9 December 2010. This indicated two key changes to the project: the reduction of the running track from eight lanes to six and the withdrawal of the Sport NI revenue funding to pay for the appointment of a sports development officer for a five year period. This was the first time that NMDC and DSD were made aware of the changes made to the project specification.

2.17 NMDC and DSD were concerned that the changes to the project could undermine the projected outcomes and, in order to address the concerns, NMDC arranged an extraordinary funders' meeting in January 2011 to discuss issues relating to project management.

2.18 At the meeting the Chief Executive of NMDC stated that NMDC had agreed to make a contribution towards the provision of the facilities for the following reasons:

- the facility would be a regional centre of excellence;
- the facility would provide an eight lane running track; and
- the social inclusion aspects would be developed over a five year period by the provision of a sports development officer post.

He expressed concern that NMDC's desired outcomes had been compromised as a result of the decisions taken without any consultation.

2.19 At the same meeting DSD officials stated that the £200,000 funding available from DSD through Newry Neighbourhood Partnership was dependent on the inclusion of the sports development officer post. As a result of failings in the funding projections, changes to the funding contributions, failure to secure the revenue funding stream to provide a sports development officer and a reduction in the specification of the facilities to be provided, DSD believed that the business case had fundamentally changed. DSD recommended that the business case should be redrafted and resubmitted for approval and stated that the £200,000 was still available, based on the original business case proposal, otherwise any

Part Two: Project Management and Delivery

- changes to the original proposals would have to be reconsidered by Newry Neighbourhood Partnership.
- 2.20 Sport NI stated that it was required to deliver a programme of works and spend of £1.3 million by 31 March 2011. Any delay in the delivery programme into the next financial year was likely to lead to the loss of Sport NI funding and therefore the likelihood of the project being cancelled.
- 2.21 In order to allay other funders' concerns, Sport NI sought assurance on the proposed changes to the track from Northern Ireland Athletics Federation (NIAF). NIAF confirmed that eight lanes are only required for events of the highest level e.g. World or European events and that Mary Peters Track in Belfast has held top level international events for many years despite being a six lane track⁵. In response to concerns regarding the lack of funding for the sports development officer, Sport NI advised that providing the draft budget remained unchanged it would be possible for Sport NI to commit funding for this post. A sports development officer was appointed in November 2011.
- 2.22 Based on these assurances both DSD and NMDC released the committed funding and construction commenced on 11 January 2011. At this time DSD and NMDC were unaware that further changes had been made to the specification including the removal of the 'synthetic D' (paragraph 2.11).
- 2.23 Now that the development of the athletics track has been completed, the NIAF has raised concerns about the layout of the facilities. It stated that long and triple jump pits and the pole vault area being built in the infield is "*not really acceptable in modern athletics*". Health and safety would prohibit the concurrent running of long throwing events with other competitions on the infield area thereby impacting on the timetabling of competitions. This will limit the track's ability to attract competitive events and therefore impact on NMDC's key objectives.

Recommendation 3

The St Colman's project encountered issues with affordability as a result of overly optimistic cost estimates and an inadequate provision for the VAT liability. In order to address the shortfall, the St Colman's project was re-scoped on two occasions resulting in significant changes to the project specification. It is not unusual to revisit a project specification where there is a shortfall in funding however, in our view, where substantial changes are made to a project after a business case has been approved the business case should be revisited and the project should be reappraised.

5 The Mary Peters Track has been upgraded from a six to eight lane running track to bring it up to full international standard.

Recommendation 4

Sport NI failed to consult with the other funders involved in the St Colman's project and did not notify the Department of the changes to the scope of the project. In our view, where it becomes clear that it will not be possible to deliver a project on time, within budget or to the agreed specification public bodies have a duty of care to ensure that they consult with all relevant parties.

Project management arrangements were poor

- 2.24 In September 2010, when the Department granted approval for the St Colman's project it asked Sport NI to confirm what management structures were in place to oversee the project and that it was clear on the status of the Investment Decision Maker (IDM) and the Senior Responsible Owner (SRO) for the project.
- 2.25 In response, Sport NI advised the Department that a development officer would be responsible for day-to-day contact with the applicant and that they would report at monthly milestone review meetings. Sport NI also confirmed that it was clear on the status of the IDM and SRO for the project and named two Sport NI officers. However, our review found that the project roles were not formally documented in the Project Execution Plan until February 2011 and were agreed in a Memorandum of Understanding in March 2011, two months after the construction phase of the project had begun.
- 2.26 The Project Execution Plan and the Memorandum of Understanding identified:
- a named individual in Sport NI as the IDM;
 - a named individual in St Colman's College as the SRO; and
 - the roles and responsibilities of the IDM and SRO.
- 2.27 During our investigation we reviewed documentation which indicates that the IDM attended only one of ten project board meetings. Sport NI told us that this *"is reflective of its risk based approach to these projects, however delegated responsibility was allocated to the Sport NI project officer to attend these meetings and update/inform the IDM of any risk/issues arising"*.
- 2.28 In the absence of a project board prior to March 2011, a number of key decisions were made by St Colman's College, in particular changes to the specification, without consulting the funding bodies. This was challenged during the extraordinary funders' meeting in January 2011 (paragraph 2.17) and St Colman's stated that *"the project was instigated by the College and as the lead partner they had the right to make decisions"*. This statement was challenged by NMDC but not by the IDM (Sport NI).

Part Two: Project Management and Delivery

2.29 We consider it inappropriate for funded bodies to make decisions without consulting with funders. This project received £2.3 million of public money which accounted for 93 per cent of the total project cost. In our view the funders should have been kept informed of all changes to the project specification and given the opportunity to consider any impact this might have had on achieving the project outcomes. We are concerned that Sport NI did not consider it appropriate to challenge the approach adopted by St Colman's and to intervene to ensure that all funders were consulted with regards to changes to the project specification.

2.30 A number of fundamental changes were made to the project specification and this potentially impacted on the ability to deliver all of the project objectives and projected benefits. Decisions were taken by St Colman's and Sport NI without any consultation with the other funders and this may have been due to a reluctance to delay the project as this would have impacted adversely on Sport NI's ability to fund the project. As a result the project that has been delivered is substantially different to that approved as the preferred option in the original business case, and this potentially has implications for the achievement of project outcomes and objectives.

Part Three: Responding to the Journalist's Concerns



Part Three: Responding to the Journalist's Concerns

Key Findings:

Sport NI failed to notify the Department about the journalist's concerns in line with the Sport NI anti-fraud/corruption policy procedure.

Sport NI conducted three separate investigations in response to the concerns received.

During the first two investigations:

- no terms of reference were established; and
- there was no contact with the journalist.

A third investigation was undertaken by Sport NI's Internal Auditor. The Internal Auditor reports to the Chair of the Audit Committee and, therefore, in our view audit independence was compromised as a result of the investigation previously undertaken by the Chair.

We are unable to validate the conclusions reached by any of Sport NI's investigations.

3.1 In December 2011, a journalist contacted Sport NI and over the following four months he raised ten questions regarding the accuracy of the St Colman's business case and the reduction in the project specification. The same journalist had previously raised concerns in respect of payments made by the Sports Council⁶ to the Ulster Camogie Council (UCC) for coaching sessions. It was alleged that documentation used by UCC had been falsified to reflect a higher monetary value than that actually incurred by UCC. It was also suggested that the Sports Council had not obtained audited accounts for three years from UCC but, in contravention of the terms and conditions under which grants are paid, it continued to make payments to UCC. A detailed investigation was completed

by the Sports Council and a report, which to a large extent substantiated the allegations made by the journalist, was issued in December 2009. During the investigation it was found that over the period 2000-08 a total of £48,502 was paid to UCC by the Sports Council. Of this, £14,754 was deemed to be irregular because UCC was unable to provide evidence of associated expenditure. In addition to this, the investigation concluded that the Sports Council did not receive audited accounts from UCC for the financial years 2004-05, 2005-06 and 2006-07, thereby contravening its standard conditions of awards.⁷

3.2 Sport NI told us that following its investigation a number of recommendations were implemented including:

6 Sport NI was previously known as the Sports Council.

7 Financial Auditing and Reporting, General Report by the Comptroller and Auditor General for Northern Ireland - 2009.

- a clawback notification was issued to UCC to recover the remaining balance of irregular expenditure and, as a result, there was no loss to the public purse;
- all funding was suspended to UCC until an independent audit was commissioned in order to determine the risk rating for UCC moving forward; and
- funding is now released in line with the risk rating of UCC and the terms and conditions of award are aligned to the annual re-audit of UCC.

3.3 The Department also produced a lessons learned report on this case with the aim of ensuring that any future allegations would be investigated as a matter of urgency. The report recommended that:

- such investigations should always be carried out by persons who are completely independent of the area and events under review;
- there is a clear need to treat any investigation relating to a potential irregularity as a priority engagement; and
- details of all meetings should be held in the same form.

3.4 In line with section 12.1 of the Sport NI Anti-Fraud/Corruption Policy procedure Sport NI is required to notify the Department where "fraud, theft, corruption or other regularity is suspected or discovered". Despite previous contact

with the journalist and the accuracy of his earlier allegations Sport NI told us that "*the journalist did not provide any indication that he suspected that fraud had taken place and Sport NI felt it unnecessary, therefore, to invoke the anti-fraud/corruption policy*". Instead, in response to the issues raised by the journalist, Sport NI's Director of Corporate Services conducted a review. The review encompassed meeting with the consultants responsible for completing the business case and the sports development officer in Sport NI. No contact was made with the journalist. On completion of his review the Director of Corporate Services concluded that "*the assertions within the business case were well grounded and in line with normal practice. No further action is deemed necessary*". Sport NI told us that "*this review was a preliminary review and for the purpose of assessing the merit of the points raised by the journalist. Following completion of the review the journalist continued to voice his concerns which prompted a meeting of the main funders with the journalist on 19 April 2012*".

3.5 At the time of the review Sport NI sought legal advice with regards to the journalist's queries and whether or not it had responded correctly to the queries. The legal advice indicated that Sport NI had acted reasonably in response to the journalist's queries and advised that there should be no further engagement with the journalist in relation to "*media enquiries*", however Freedom of Information requests should continue to be responded to.

Part Three: Responding to the Journalist's Concerns

- 3.6 The Departmental Accounting Officer wrote to Sport NI on 29 March 2012 and stated that she was *"very concerned that Sport NI did not notify the Department immediately of this issue"* and referred to the earlier case of a suspected fraud, (paragraph 3.1) that had been brought to the Department's attention by the same journalist and had not been treated in accordance with the appropriate procedures by Sport NI.
- 3.7 After challenge from the Department, the Chair of Sport NI's Audit and Risk Management Committee conducted his own review of the journalist's concerns, and he reported to the Sport NI Board on 1 May 2012. He concluded that the Director of Corporate Services had conducted a thorough review of the issues including seeking legal advice on whether the questions amounted to an allegation of fraud or other irregularity. The Chair's review states that he *"was satisfied there was no substance to the questions raised. While there were inconsistencies these post facto the award and in substance (had they been applied at the time) would not have changed the decision"*.
- 3.8 Although the Sport NI investigations complied with the recommendations identified by the Department at paragraph 3.3, in our view the investigations did not fully comply with all of the basic principles of a good investigation. Appendix 3 provides a list of ten guiding principles of a good investigation identified in a recent NIAO report⁸. In particular we found that:
- terms of reference were not established for either of the two initial investigations and there is no evidence that any planning was undertaken in advance of the investigations;
 - there was no contact made with the journalist during either of the two initial investigations; and
 - there is insufficient evidence to conclude that the investigations rigorously evaluated and thoroughly investigated the complaints made by the journalist and we are unable to validate the conclusions reached by the investigations.
- 3.9 Subsequent to the reviews by the Director of Corporate Services and the Audit and Risk Management Committee's Chair and the indication of the Department's concerns, Sport NI attended a funders' meeting with the journalist in April 2012. At that meeting the journalist referred to communications not previously seen by Sport NI. Sport NI considered that these communications were relevant and the Director of Corporate Services commissioned Sport NI's Internal Auditor to carry out a further review. The Internal Auditor reported in November 2012.
- 3.10 The Internal Audit report examines each of the allegations made by the journalist and presents findings and conclusions in relation to each. In our view, the findings are factually accurate and in a number of cases support the allegations raised by the journalist. However, the

8 DRD: Review of an Investigation of a Whistleblower Complaint, NIAO, 12 February 2013.

conclusions presented in the report are not always consistent with the findings and in some cases seek to excuse or provide justification for the mistakes that were made.

- 3.11 The report acknowledges that this matter should have been dealt with under Sport NI's Anti-Fraud and Corruption Policy and confirms that the business case contained a number of elements which were not an accurate reflection of actual events and circumstances. Despite these acknowledgements the report concludes that *"Internal Audit is unable to substantiate the assertions made by the journalist"*.
- 3.12 HM Treasury's Public Sector Internal Audit Standards state that *"the internal audit activity must be independent and internal auditors must be objective in performing their work"*. Sport NI's Internal Auditor is employed directly by Sport NI and reports to the Chair of the Audit Committee. The Director of Corporate Services acts as a line manager to the Internal Auditor. In our view the independence of Sport NI's Internal Auditor could have been impaired as a result of the investigations that had previously been conducted by the Chair of the Audit Committee and the Director of Corporate Services and this may have impacted on the conclusions presented in the internal audit report.
- 3.13 The journalist raised concerns regarding the accuracy of statements made within the business case, the significance of re-scoping the project, the effectiveness

of partnership arrangements and the quality of programme management. In conclusion, in our view:

- the business case contained a number of erroneous statements which, cumulatively, may have impacted on the decision for Sport NI to award funding to the St Colman's project;
- the project was re-scoped on two separate occasions and this resulted in fundamental changes to the project;
- partnership arrangements were poor and, as a result, a number of key decisions were made without consultation with the funders; and
- project roles and responsibilities were not agreed until after construction had commenced.

- 3.14 Sport NI told us that it has identified the following lessons from its review of the St Colman's project:

- the requirement to provide appropriate responses to whistleblowers/complaints in line with its Anti-Fraud and Corruption Policy;
- the need to notify funding partners (and the Department as appropriate) when significant changes are made to the project specification and where those changes substantially affect the business case to conduct a reappraisal of the project;

Part Three: Responding to the Journalist's Concerns

- where projects receive funding from more than one funding body a lead funder should be appointed to streamline the assessment process and to coordinate monitoring and evaluation arrangements;
 - the provision of ongoing training and application of project management disciplines for the relevant Sport NI staff; and
 - the importance of the independence or perceived independence of Sport NI's internal audit function.
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Appendix 1: Journalist's Questions to Sport NI

	Journalist's Question	Sport NI Conclusion
1.	Referencing a statement from Sport NI which stated that <i>"we have in-house professional staff across a range of disciplines including economists, architects and accountants who rigorously assess all investment decisions"</i> . The journalist has questioned why Sport NI relied upon a business case prepared by Chartered Accountants and whether Sport NI's in-house professional staff were involved in the assessment and appraisal of the St Colman's business case.	Internal Audit is satisfied that due process was followed in relation to the selection of and engagement with the third party service provider and the subsequent review of the business case by the Investment Assurance Team.
2.	The journalist questioned the level of engagement by the project promoter with sport partners. The journalist's communications with third parties led him to believe that no engagement took place with the governing bodies detailed within the business case beyond initial consultation at the project initiation stage.	While there are no formal rules regarding engagement and on-going consultation with stakeholders, it would have been expected that given the lapse of time between the first business case in 2008 and the updated version in 2010, coupled with the changes in the project scope since the first iteration, that St Colman's as project promoter would have re-engaged with key 'sport partners' once the funding package was agreed and the project restarted.
3.	The journalist queried the compliance of the pitch with International Rugby Board regulations, in particular regulation 22 which requires that a field test be carried out on an artificial playing surface once it has successfully completed the Laboratory Tests and has been installed.	<p>Programming for a 'bedding in' period demonstrates good project planning, however the pitch has been in place for eight months and testing should have been undertaken and completed by St Colman's or NMDC since they intend to make the pitch available for rugby use.</p> <p>Internal Audit acknowledges that the issue regarding health and safety risk assessment is a matter for NMDC and St Colman's, and that management within NMDC should seek to address this weakness as a matter of urgency.</p>

	Journalist's Question	Sport NI Conclusion
4.	<p>The journalist questioned Sport NI's decision to reduce the scope of the athletics provision without due consultation with the relevant governing body of athletics. A decision, according to the journalist, which had significant implications to the project's ability to deliver against objectives as outlined within the business case.</p>	<p>Internal Audit identified that a reduction in running lanes from eight to six occurred as part of the cost reduction process. Sport NI did seek assurances from NI Athletics Federation (NIAF) as to the impact of this particular change who responded in confirming the negligible impact of this on overall project objectives. The business case also references the NIAF strategy which outlines the need for an athletics facility in the south of the province to provide a minimum of a six lane 400 metres running track.</p> <p>Internal Audit considers Sport NI's decision to allow St Colman's to remove the high jump 'D' from the project as a cost saving measure to be an oversight in the management decision-making process.</p>
5.	<p>The journalist questioned the absence of facility user agreements for all the sporting codes, despite this being an explicit recommendation within the business case.</p>	<p>Internal Audit acknowledges that in reality it is unlikely that any sporting body would formally commit to usage without having a financial stake in the project and that such use is currently governed by the NMDC licence agreement and facility booking procedures. Nonetheless, with this being a formal recommendation within the business case, it would be expected that a formal rationale be provided for its rejection or if unreasonable, the recommendation withdrawn.</p>
6.	<p>The journalist questioned references within the business case to three clubs that would be adversely impacted by the NMDC's proposed leisure facility development. The journalist stated that two of the clubs are fictitious.</p>	<p>Internal Audit does not consider this particular issue to be material and is of the view that the other funders who informed the business case, in particular NMDC had a duty to satisfy themselves of the accuracy of the business case and it would have been reasonable to expect that NMDC in this instance would have been in a position to identify and highlight this error.</p>

Appendix 1: Journalist's Questions to Sport NI

	Journalist's Question	Sport NI Conclusion
7.	<p>The journalist questioned references within the business case to lost facilities brought about by the new motorway infrastructure. The journalist, during his discussions with Sport NI, also queried references to available facilities stating that land purchased by NMDC for pitch development was not included in the business case.</p>	<p>The business case in its final form provides the key document of record for the investment proposal, summarising objectives and key features of implementation. While Internal Audit recognises that the business case is a time bound document, in this instance it is considered that the business case was not brought fully up-to-date at the time of revision and a more accurate presentation of lost facilities should have been provided when the business case was up-dated.</p> <p>With regards to the potential for further pitch development by NMDC, it would have been reasonable to expect that NMDC as a project partner, would have brought to the attention of the business case consultants the aforementioned pitch development plans for inclusion within the option appraisal.</p>
8.	<p>The journalist questioned the validity of the statement within section 550/551 of the business case. It states that the facility at Newry Olympic Hockey Club, which currently caters for football activities, will post its resurfacing <i>"remain almost exclusively for competitive hockey use"</i>.</p> <p>Having met with representatives of the Hockey Club the journalist has been advised that this representation differs from the view held by the Club and that the facility is not sustainable without use by other sports.</p>	<p>Internal Audit acknowledges that the Newry Olympic Hockey Club facility is primarily for hockey and that the intended growth of the sport at that venue as outlined within the associated Key Performance Indicators would likely create some displacement of other sport such as soccer.</p> <p>It is the opinion of Internal Audit that the representation of need, as outlined within the business case in the period post resurfacing, creates a perception of a significant loss of this pitch as a resource for sports other than hockey, and it would be expected that management of Sport NI would have sought to address this during its review of the business case.</p>

	Journalist's Question	Sport NI Conclusion
9.	The journalist questioned the engagement by those responsible for the project with Disability Sport. It is his belief that there was no engagement with Disability Sport in relation to this project.	Internal Audit considers the references to engagement by St Colman's College as misleading although there is no evidence to suggest that the misstatement was intentional.
10.	The journalist questioned the weighting attributed to cross community objectives served by this project, in particular given the focus of the business case on what the journalist refers to as 'maintained' schools.	Internal Audit is unable to evidence any misstatement with regards to cross community usage and considers the weighting for cross community to appropriately reflect all envisaged usage which during NMDC managed times will be very much cross community focused.

Source: Sport NI Internal Audit Review of St Colman's College, August 2012

Appendix 2: Journalist's Concerns Raised with NIAO

December 2011

1. How much of taxpayers' money was saved in the process of managing and delivering the project and its associated budgets by the removal of the High Jump Fan/synthetic 'D'?

- Documentary evidence of the support and partnership with/of the IFA and the IRFU in the project.
- The written approval/passing of the playing surface to accommodate the game of rugby - see Irish Rugby Board regulation 22.

January 2011 (queries addressed to St Colman's)

2. A government department, the Department for Social Development (DSD), a major funder in the project has stated that in the business case presented to Sport NI dated July 2010, the Irish Rugby Football Union (IRFU) and the Irish Football Association (IFA) are included as supporters of the project. The Department also states that in the copy of the Violet Hill Playing Fields sports development plan, the IRFU and IFA are identified as 'partners'. However, this is contrary, particularly in the case of the IRFU, to the information I have gathered. If St Colman's has firstly the support, and secondly is in partnership as DSD says it is in the Violet Hill Playing Fields sports development plan, with the IRFU and the IFA, can St Colman's provide the following:

- Details and evidence of the support of the IFA but more particularly the IRFU as my (the journalist's) understanding from sources within that particular sport is that they had no involvement in the project and that their involvement came as news to them.

February 2012

3. Is Sport NI satisfied that all the information contained in the business case and the development plan for the St Colman's project is true and accurate?
4. Is Sport NI satisfied that all the statements contained in the business plan and the development plan for the St Colman's project are true and accurate?
5. Did Sport NI liaise with all third parties included/referenced in the business case and development plan to confirm that all the information and statements about them were fully true and accurate?
 - (a) What was the liaising process?
 - (b) What third parties in the business case and development plan did Sport NI liaise with to confirm that all information and statements about them were fully true and accurate?
6. Who in Sport NI was responsible for the examination of the St Colman's project business case and development plan?

7. Was there a specific/special committee set up to look after the St Colman's project?
8. If information contained within any business case and/or development plan, after submission for funding from Sport NI which is subsequently approved, is found to be incorrect and/or inaccurate, what course of action does Sport NI undertake?

5 March 2012

9. Sport NI response to the question in paragraph 1 included *"Sport NI is fully aware of its duties as public servants. Sport NI has funded 600 capital projects in the past 15 years at a total investment of over £130 million of public funds. In all cases projects are subject to appraisal, risk assessment and robust monitoring systems. We have in-house professional staff across a range of disciplines including economists, architects and accountants who rigorously assess all investment decisions"*.

In responding to questions in February Sport NI states *"In the case of the St Colman's project, Sport NI relied upon the business case prepared by Consultant Chartered Accountants (as a Sport NI select list consultant). Consultants were appointed to prepare an independent/objective business case for the project. The management of consultancy briefs of this kind does not include full verification/testing of all key assumptions/statements/information*

contained within a business case, and instead, requires consultants to assess how reasonable/realistic/achievable the key assumptions are. In order to fulfil their brief, the consultants would have carried out independent research and consultation with third parties referenced in the business case".

Why for this particular project, which was set to receive some £1.3 million, did Sport NI rely upon a business case prepared by chartered accountants irrespective of what select list they are on? Was Sport NI's in-house professional staff involved in the rigorous assessment and appraisal of the St Colman's business case?

10. In the case of Athletics Northern Ireland or as it's called in the business case, Northern Ireland Athletics Federation, it is our understanding that after initial meetings and a letter supporting the project dating back to 2006, this 'partner' signatory to the project was not involved in the process until, it's alleged, December 2010, when a letter from the sport confirmed six lanes instead of eight was okay.

It is our (the journalist's) information that, even though a running track and associated facilities was part of the project, the governing body of athletics was not involved on a consultative basis and was not even made aware that the 'synthetic D'/high jump area, had been removed. Further, it is our (the journalist's) understanding that they have only been contacted in the last number of weeks regarding the high jump area.

Appendix 2: Journalist's Concerns Raised with NIAO

As regards the IFA, it is our understanding that is the same story, no meetings took place after 2006. There is a question as to why a letter of support for the project, allegedly from the local development officer, is neither signed nor dated.

As Sport NI should be aware information regarding the IRFU (Ulster Branch), Athletics Northern Ireland and the IFA, the 'sporting partners', features heavily in the business case. If Sport NI has gone through its rigorous process can it explain any of the alleged above?

11. In the business case the word school or schools is used 154 times and community, cross-community or communities 220 times. Considering the business case makes so many references to schools and local communities and refers to the fact that the facilities are for the whole community, there would appear to be a glaring omission – state or controlled schools – effectively one side of the community. There is no mention of Newry High School, Windsor Primary School, Mullaghglass Primary School nor Bessbrook Primary School, all within five miles, yet cross-community support and participation has a weighting of 15 in the business case.

(c) Was Sport NI aware of this?

(d) Does it consider it significant that these controlled schools are omitted from a business case that is seeking funding from the whole community?

(e) If Sport NI has gone through its rigorous process can it explain how it approved funding in the alleged absence of consultation/inclusion of what could be perceived as one side of the community?

12. The business case makes reference on a number of occasions to the following *"there are a number of local clubs who will be initially adversely affected by the leisure facility development at Meadow including **Carnbane FC, Hollow Ground FC** and Bosco GFC. Given the importance of these clubs in the area, Newry and Mourne District Council hopes that these clubs will be among the chief beneficiaries of the Violet Hill Playing fields"*. The two highlighted clubs do not exist, and have not existed in the Meadow area or any other area of Newry according to those involved in soccer for decades. There is a Carnbane league but then why mention a second club. Carnbane Rovers existed some 40 years ago but nowhere near the Meadow site. Can Sport NI explain the inclusion of these two teams in the business case?

13. The business case makes numerous references to the fact that the pitch at the hockey club in Newry was about to be resurfaced. It is stated that once that happened the pitch will 'remain exclusively for hockey', 'remain exclusively for competitive hockey' and will be 'used primarily for hockey'. It is our (the journalist's) understanding that these statements do not reflect Newry Olympic Hockey Club's views.

It is our (the journalist's) understanding that the documents associated with the funding by Sport NI for the resurfacing reflect the club's intention to provide a multi-sports facility. Sport NI will of course be aware that it part-funded the resurfacing of Newry Olympic Hockey Club, along with Newry and Mourne District Council and will therefore be aware of the Club's intention to provide a multi-sports facility. As a funder of the resurfacing of the hockey pitch did such statements not raise any alarm bells with Sport NI? Did Sport NI check out these statements?

14. The business case states *"St Colman's College and its sporting partners have consulted with Disability Sport to seek advice with regard to the Violet Hill Playing facility design and development together with the preparation of the sport development plan"*.

It is alleged that St Colman's and its sporting partners did not indeed consult with Disability Sport on this project. It is alleged that contact with Disability Sport was only made in recent months by Sport NI – can Sport NI clarify that?

15. Paper SNI/10/112 presented to the Sport NI Board on June 2010 states *"plans for an improved Dublin-Belfast road route are set to further impact upon this situation with a number of prominent sports fields soon to be sacrificed for this purpose. The motor way by-pass development currently underway will result in the region of five and six acres of playing fields currently being used for*

Gaelic and Soccer being consumed with no alternative facilities available. The development at Violet Hill will be vitally important to meet the increased need resulting from this development.

I note the date of the paper June 1, 2010. The motorway opened in July 2010. It is my (the journalist's) understanding that no pitches, gaelic or otherwise were lost. Indeed, it is my (the journalist's) understanding that after realignment, an additional mini-soccer pitch was gained. Were any pitches ever going to be lost to the motorway? Were Sport NI officials aware their information, with the motorway already in place on June 1, was out of date when it set the paper before the Sport NI Board? Will Sport NI now make the Board aware of this?

16. Was the business case presented to the Department to seek ministerial approval?

8 March 2012 issues in regard to the reinstatement of the high jump D

17. Additional works to reinstate the high jump 'D' as part of the project delivery can be included in the Works Contract as a Compensation Event. Queries raised as follows:

- Was it not a bit late for issuing an early warning?

Appendix 2: Journalist's Concerns Raised with NIAO

- Surely an early warning is issued during construction and not after the site work has been completed, fencing up, grass grown, track down etc?
 - How was an estimate reached (and issued on 8 November 2011) for the installation of the high jump 'D' considering that according to an email, Athletics NI was not spoken to "for approval" until 16 January, 2012 regarding specifications?
 - Who was consulted on the matter?
 - What was, or where was, the competitive tendering process for the installation of the run-up area?
 - How many quotes were sought for the work?
 - Was the estimate just based on 20 metres (as per International Association of Athletics Federations (IAAF) minimum requirements) out of a book, or off the IAAF website or such or, was expert advice sought from elsewhere? If so where and from whom?
 - How was Sport NI and Central Procurement Directorate able to approve the estimate as reasonable? Did they seek expert advice?
 - Who or what dictated that only the minimum requirements would be used?
 - Did anybody measure the distance from the high jump landing mat area to the edge of the track?
 - Did no-one realise that at 20 metres the run-up area would still be short of reaching the track?
 - Did anyone have any on-site meetings with people who are experts in this area before an estimate was drawn up?
 - Is this the 'D' finished, once the synthetic cover goes on or will the job be looked at again and done properly?
 - Who was, who is supposed to be in-charge of the installation of the run-up area?
 - Regarding the long /triple jump run-ups and pits and the pole vault area, why were they put on the in-field area of the track development?
 - Who made that decision and why?
 - Was this another money saving effort?
 - Who was consulted on the placement of the long/triple jump run-ups and pits, and the pole vault area?
-

- Can someone explain how you could hold athletic championships when the field sports are all in-field? Long jump with javelin throwers around?
- Did anyone think of asking Athletics NI about that?
- Did the Officers from Sport NI not spot this obvious flaw, and the even more obvious missing 'D'?
- Did NMDC, funding the project, not spot these flaws either – who was watching out for the ratepayers' money?

September 2012

18. In earlier correspondence with the NMDC *"the Council noted the omission of field markings for soccer and rugby and have included this on the snagging list which will be tabled at the next meeting of stakeholders and funders"*.
- Are the markings for soccer and rugby going down on the pitch or not – yes or no?
 - What is Council and the stakeholders and the funders doing about it exactly?
 - Will Council provide evidence that this issue is being addressed?

19. In earlier correspondence with the NMDC the Council stated *"the main access from the community changing block to the synthetic pitch does offer up difficulties especially in the winter months and during periods of sustained wet weather. The Council and St Colman's College continue to look at options in regard to solving this matter"*.
- How long does the Council and St Colman's need to look at a problem. It was identified back as far as October (if not before) 2011?
 - What exactly is being done to overcome this issue?
 - When will it be resolved?

October 2012

20. Can the Council confirm that the pitch meets the 'IRFU injury insurance scheme' and provide evidence of same and has informed the IRFU (Ulster Branch) whom, I (the journalist) need not remind Council is a sporting partner and signatory to the facilities at St Colman's?
21. Will Sport NI provide a copy of the certificate of approval for the 3G pitch at St Colman's for the use of rugby?
22. Will Sport NI provide details of the notification sent to NMDC stating that the pitch was fit for the purpose of coaching and playing rugby?

Appendix 2: Journalist's Concerns Raised with NIAO

23. Has Sport NI notified the IRFU and Newry Rugby Club that the 3G pitch at St Colman's is fit for the purposes of the coaching and playing of rugby?

24. Does Sport NI believe the 3G pitch at St Colman's meets the standards set out in IRB Regulation 22 and the IRFU injury insurance scheme?

November 2012

25. Can Sport NI confirm that there was a high-jump fan area in the original drawing for the running track facilities when Sport NI approved funding?

26. Considering the amount of public money spent on the project, why at the start of the 100 metres lanes is there a different and significant sized patch, type and shade of running surface from the rest of the track that tapers into the corner?

27. In the shot putt, hammer and discus circles there are four rods sticking up, a) what are these for? And b) when will the two circles be completed?

28. This morning, the infield is flooded in patches – why does this appear to be a problem so early with this new build?

29. It is my (the journalist's) understanding that due to on-going problems with drainage in the in-field area at the athletics track at St Colman's, consideration is now being given to digging up the in-field area in an attempt to rectify the problem, as remedial

work has not been successful. Can the Council advise if this is the case?

30. UK Athletics issued a certification for the venue which indicates that the track meets the standard for a 'class B Certificate' for 'track events only at this time' – a restricted certification.

- What were the full reasons UK Athletics only granted the track a Class B Certificate?
- What is being done to rectify the problems?
- Will the issues necessitate digging up the in-field?
- If so, when will this happen and how long will it take?
- What is the timeline for fixing any problems?
- Will it mean the closing of the six-lane track?
- Who is paying for any work to be carried out?

31. Considering how all the soccer pitches (used for competitive games) were, according to the Business Case, going to be lost or were supposed to be lost to one thing or another, the St Colman's Project was only going to provide one (3G) pitch for soccer training (it can't host competitive soccer) as a replacement. Isn't it strange how nobody spotted that?

December 2012

32. Can Sport NI confirm what sport markings were agreed and in the plans to be on the 3G pitch at St Colman's College?

January 2013

33. Under the Letter of Offer for funding, the funding offered is to go towards a full-sized artificial (3G) GAA pitch, a six lane track and field area with raised seating and a four room pavilion and car parking. During the work on the site for the above, a new grass GAA pitch was either constructed or an old pitch upgraded/refurbished. This pitch lies directly between the car park and the 3G pitch. Can Sport NI advise was any of the work on that pitch paid for from funding received for the project from Sport NI and/or the other funders, namely the Department for Social Development or NMDC?
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Appendix 3: Guiding Principles for an Investigation

1.	The key to good investigation is planning. Terms of reference should be established.
2.	It is important that investigations should be undertaken in a timely and prompt manner.
3.	The body conducting the investigation should seek regular proactive liaison with the whistleblower.
4.	Those conducting an investigation should maintain and store a systematic record of all potentially relevant sources of evidence. This provides assurance about the management of the progress of the investigation.
5.	The investigation should be characterised by a rigorous application of professional skill and diligence to enable investigators to demonstrate that they have got to the heart of the matter.
6.	At the start of an investigation, a planning document should clearly state how evidence is to be handled.
7.	It is important that all allegations made by whistleblowers relating to the proper conduct of public business are rigorously evaluated and, where warranted, thoroughly investigated to the fullest extent required by the substance and nature of the complaint made.
8.	The Management Board, Audit Committee and senior management of the body with responsibility for the area under examination need to be kept informed of all serious allegations, the terms of reference of investigations, their progress and outcomes.
9.	In planning an investigation, investigators should have an awareness of previous investigations that may be relevant.
10.	Independence, and the objectivity it promotes, is a basic good practice feature of whistleblowing investigations.

Source: NIAO

NIAO Reports 2012 and 2013

Title	Date Published
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Published and printed by CDS

CDS 106051

ISBN 978-1-909532-95-3



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