



Northern Ireland  
Assembly

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**COMMITTEE  
FOR EDUCATION**

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**OFFICIAL REPORT**  
(Hansard)

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**CCEA Expenses**

29 June 2011

**NORTHERN IRELAND ASSEMBLY**

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**COMMITTEE  
FOR EDUCATION**

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**CCEA Expenses**

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29 June 2011

**Members present for all or part of the proceedings:**

Mr Mervyn Storey (Chairperson)  
Mr Jonathan Craig  
Mr Phil Flanagan  
Mr Trevor Lunn  
Mr Conall McDevitt  
Miss Michelle McIlveen

**Witnesses:**

Mr Gavin Boyd           )       Council for the Curriculum, Examinations and Assessment  
Mr John McGrath       )       Department of Education

**The Chairperson:**

John and Gavin, you are very welcome.

**Mr John McGrath (Department of Education):**

Thank you for the opportunity to address the Committee. Our briefing paper covers expenses and governance, as the two emerged at the same time. Between 2009 and 2010 the Department discovered weaknesses in governance, accountability and procedures in the Council for the Curriculum, Examinations and Assessment (CCEA). They are different but interlinked issues.

One relates to the breach of governance that came about because decisions were taken by CCEA on pay remits for senior staff and some other groups without the necessary prior approval of the Department. The other issue relates to past expenditure on travel and hospitality in CCEA, which came to light as a result of FOI requests.

The pay issue involved a restructuring of the CCEA top-management team and associated changes in the pay arrangement, including PRP, for the interim top-management team, without the Department's approval. At no point was the Department aware of CCEA's plans to amend the pay, terms and conditions of the staff affected. Therefore, CCEA's actions were a breach of governance and of its own financial memorandum and management statement.

Following a thorough review of CCEA's processes and procedures, the Department set in place increased oversight measures; council members were made aware of their governance and stewardship responsibilities and received additional training in both. As I said, the Department holds regular governance accountability meetings with the chairperson and chief executive of each arm's-length body. That process is now part of the formal monitoring of performance and compliance with governance and financial monitoring requirements.

Given the seriousness of the issues, monthly rather than quarterly meetings were held with CCEA. A Department of Education observer also attends CCEA council and remuneration committee meetings. The issue was brought to the attention of the Minister at the time, who met the chairperson and then chief executive of CCEA. Following that meeting, a letter went to CCEA setting out the increased oversight measures and making it clear that the Minister and the Department were unhappy about what had occurred. The Department closely scrutinises all issues around CCEA's pay and workforce proposals, in line with what happens with other arm's-length bodies.

As a result of information disclosed by CCEA under FOI requests, the Department became aware and concerned at the scale and nature of some of the expenditure on travel and hospitality. CCEA was instructed to provide the Department with details of events referred to in the FOI response. That information raised concerns about the appropriateness of the expenditure and the rationale behind some decisions.

The permanent secretary subsequently asked the Department's internal audit unit to undertake a preliminary review to determine whether appropriate assurances could be provided on such expenditure. The internal audit report found that only limited assurance could be provided about the regularity, propriety and value for money of the public expenditure incurred in external events and associated corporate hospitality.

CCEA accepted the report's findings and provided assurances that action had or will be taken to address weaknesses identified in the report. The Department's internal audit unit will conduct a follow-up review to determine the extent of progress. The Department continues to seek assurance that decisive action continues to be taken to ensure that expenditure on hospitality is minimal, in line with current guidelines. The main mechanism is a quarterly assurance statement that was introduced by the Department, which all arm's-length bodies are required to complete. The statements provide assurance on the use of public funds, specifically for hospitality, and, in particular, specific assurance is sought that there is no extravagance in the use of public funds. The issue continues to be raised at the quarterly governance and accountability meetings.

**Mr Gavin Boyd (Council for the Curriculum, Examinations and Assessment):**

Thank you for the opportunity of meeting the Committee. John gave a succinct overview of the two main issues that received recent media attention. I am here as CCEA's accounting officer to answer members' questions. Members may be aware that I was chief executive of CCEA from February 2000 until January 2007. In June 2010, I was asked to take over responsibility again, in addition to my other responsibilities, after the departure of the chief executive and the chief finance officer, in part to deal with some earlier examinations problems and issues of corporate governance referred to by John.

At the outset, I acknowledge the seriousness of those issues. In some instances, CCEA has fallen far short of its own standards; I regret that very much, as does CCEA's council and staff. However, I would like to put the issues in context. Despite recent events, CCEA is an excellent organisation; that is not my judgement but that of the European Foundation for Quality Management (EFQM).

Over the past 10 years, CCEA was responsible for the revision of the school curriculum, which was a huge and, ultimately, hugely successful exercise. The curriculum is recognised internationally as being at the leading edge. Although it is the smallest of the examination authorities in these islands, it is generally identified as the most effective. Again, that is not my judgement; it is demonstrated by the consistent results of examination performance statistics. It is further evidenced by the choices of our schools: in a free market, the vast majority choose CCEA qualifications.

Although there is external evidence that CCEA is an excellent organisation, it is far from perfect; we have a long way to go. Although CCEA achieved a record mark when it won the European quality award in 2008, it was still only 750 out of 1,000. That indicates a long way to go in respect of excellence.

The organisation has, over a number of years, delivered millions of pounds' worth of efficiencies to the public sector. However, every pound of public money is important. The council, the staff and I, as accounting officer, regret any waste of public money or any inappropriate or apparently inappropriate use of public funding. We are also deeply disappointed with the issues of corporate governance.

Although I am here primarily to answer questions about governance and expenditure, there have been some recent examinations issues. If members want to ask about them, I will be happy to respond.

**The Chairperson:**

Thank you, John and Gavin. The media attention around this issue has been, to say the least, damaging to the organisation's credibility. Gavin, you are the interim chief executive, so I would not expect you to do anything else but defend the organisation. However, there is a serious concern about its size. Although you say that it is the smallest in these islands, CCEA, when it was first created, was an organisation of probably 20 or more people. Today, it has more than 300 people; it has built up a considerable complement of staff.

We have just finished a discussion with the Department, which you sat in on, on procurement.

Although CCEA has saved millions of pounds, there is a duplication of services. The Department's rationale seems to be moving towards everything being one organisation, but a variety of organisations, to a lesser or greater degree, delivers the same provision as CCEA with the exception of examination assessment.

That having been said, we still have not been able to get the Department's timeline. Who was responsible for the decisions that were made to spend the money, for example, on the private jet to a conference in the Republic and the visit to Paris? Who was held accountable for what the Department told us was a breach of governance arrangements? The organisation decided to restructure its top management, which it is entitled to do; however, it also decided to restructure the pay arrangements that were approved by CCEA's remuneration committee. I got information, although I forgot to bring it to the Committee this morning, that CCEA has more senior managers than any of the education and library boards. I can make that information available, although you should know it anyway, Gavin. There is serious concern about how an organisation with so many managers made such a Horlicks of the amount of money that was spent to go to those functions.

**Mr Boyd:**

That is a multifaceted question, Chairman.

**The Chairperson:**

As mine unfortunately are.

**Mr Boyd:**

I have taken notes; I will try to work through them. The other day, I spoke to a staff member who was leaving after 24 years' service. She said, quite rightly, that when she joined the organisation, which in those days was an examinations council, there were probably 20 permanent staff. However, there are several essential differences: today, about 7,000 people are involved in the examinations process from start to finish. That process has always involved thousands of people. Indeed, a former Chairperson of the Committee was, for some time, a senior examiner in economics.

The examinations process has always involved large numbers of people. What has changed

dramatically over the past 15 or 20 years has been the modularisation of examinations; they are very different from what they were; their range and extent — there are many more subjects — and access to information about examinations. When I asked the staff member who was leaving what happened in the good old days if somebody had a question about their results, she replied that they simply did not get an answer. It was a closed box; you got your result and that was it. Now, we have absolute transparency. For example, we give candidates back their scripts with annotations so that they can see how they have done. It is hugely different from how it was 20 years ago. That is a matter of government policy on qualifications.

You are quite right, Chairman: there is duplication of other organisations' work throughout the region. It tends to be in curriculum; for example, boards' curriculum and advisory support services (CASS) are involved in curriculum activity. CCEA has a development responsibility; boards have a teaching and learning responsibility. However, there is duplication.

It also occurs in corporate services. As a free-standing organisation, CCEA has its own finance, human resources, and support functions. The organisation and its staff complement have grown as the complexity of examinations has grown dramatically. However, there is duplication of services; there is no question about that.

You identified three areas of concern and asked who was accountable. The first was my decision: I signed off on the decision to charter a plane to take people to Galway. That decision was taken entirely on cost basis by comparing the options and the costs of the time of those involved. Those who travelled by plane were either council members or senior managers in CCEA. The calculation was done entirely on a cost basis. At the time, it was the most cost-effective way of making the journey.

The Minister made it absolutely clear that that decision should not have been taken. Looking at it from a cost perspective, the first question that one would have to ask is whether we should have been involved in that annual North/South conference at all. However, those conferences have not taken place for at least the past two years because of the priorities of the education system and the cost of running them.

Number one: it was my decision, taken entirely on cost basis at the time. The Minister made it clear that it was a poor decision. Number two was the Paris trip. That decision was taken by the accounting officer at the time in conjunction, I imagine, with the chairman at the time. I was not involved in the decision-making process. However, my assumption is that that decision was taken because this was the end of an eight-year quality journey, which took CCEA from what was essentially a basket case in the last-chance saloon to winning a European quality award. That puts CCEA, a small public-sector organisation from a peripheral region, in the same category as BMW, Nokia and other European standard organisations. It was a significant event, and the decision was taken because it was an appropriate recognition for a group of people that represented council members and staff at the end of a journey.

Your third question on corporate governance would probably be better dealt with by John from the perspective of the Department. I was not the accounting officer at the time.

**Mr McGrath:**

Gavin correctly pointed out that he was not involved in CCEA at the time of the pay governance issue. That issue was discovered by the Department, and no payments were made as a result of its intervention.

The Minister, the permanent secretary and I pursued the issue robustly during a meeting with the then chairman of CCEA, who has since regrettably passed away, and the then chief executive. A robust letter to the chairman and council members followed that meeting making clear the Minister's unhappiness. The letter also made it clear that oversight of CCEA was to be ratcheted up to the extent of having monthly meetings to check that the issue had been addressed. Knuckles were severely rapped, and it is on record that the reprimand was sufficient to be quite upsetting to some council members.

The late chairman and the then chief executive of the council were held accountable for letting a decision be taken that should not have been taken. However, our intervention meant that pay awards were not made to staff and, through our intervention, we avoided a breach of public-sector pay policy. It was a serious breach of governance, and we made our unhappiness very clear.

**The Chairperson:**

Gavin, a 22- or 24-seater aircraft was chartered for the visit to Connemara, yet 30 people from CCEA attended that conference. How did the others travel?

**Mr Boyd:**

Some travelled from the west directly to Galway. That was the most cost-effective means of travel.

**The Chairperson:**

You decided to go to that conference. Organisations can always make an argument for their attendance at an event and look back and establish that that was not the right decision and that it could be done in a different way. However, we are not just dealing with a one-off; there is a list of such trips including those to Sligo, which cost £8,000; Armagh, which cost £4,000; Belfast, which cost £2,000; Galway, which cost £4,000; Letterkenny, which cost £15,000; London, which cost £5,000; Paris, which cost almost £7,000; and Newcastle, which cost almost £4,000. There was an accumulation of such events. Was that ever taken into consideration? Those trips occurred between 2004 and 2009. Did no one ever think that the number of those events was becoming a wee bit too much, that they were not really the focus of your attention and that the money should have been spent more appropriately?

**Mr Boyd:**

There was only one instance of chartering an aircraft, and I doubt that it will ever be repeated. Because of the nature of its work, CCEA runs approximately 5,000 meetings, events and conferences annually; that is a huge number.

The vast majority of those are about examinations, because that is the nature of the examinations business, with people getting together and preparing papers. The vast majority of those events — about 3,000 events every year — take place at CCEA headquarters. However, there are a large number of events that simply cannot be accommodated in CCEA buildings. For example, of the 3,000 meetings and events that CCEA runs inside the corporate headquarters, on average, there are 55,000 attendees a year. That is the nature of the business.

Aligned with that, we had the revision of the curriculum, which was a hugely important exercise that went on over a number of years, starting in the late 1990s and culminating in the mid 2000s. We are now at the implementation stage of that. That nature of that work demands interaction between groups of people — sometimes large groups — to work on or through ideas and devising new schemes of work. It was a very demanding and complicated piece of work. Everything that happened over the period that you are talking about will have been reflected in the costed work programmes of the organisation.

So, the answer is yes. It was always being looked at in the annual plans of the organisation, but it was seen in the context of a very wide-ranging programme of work.

**The Chairperson:**

Let us go back to the private jet issue, because it was the one that raised the most eyebrows, and even more than that. You say that it was cost effective. Was it necessary to go to the event? Was there an outcome that can clearly be demonstrated? Even if you were pushing it to the limits by saying that the mode of transport was cost effective, what benefit or outcome did the organisation receive from this particular jolly, which is what a lot of people see it as?

**Mr Boyd:**

I do not agree with the term “jolly”. A lot of work went on at those conferences, and, again, that is the nature of the education business. There was a series of annual meetings between the National Council for Curriculum and Assessment (NCCA) in the South and CCEA. Those meetings were between the full councils of the two authorities and their senior management teams. The agenda at those meetings tended to look at the areas of common interest in the two jurisdictions.

CCEA has led much of the international thinking on curriculum development. A lot of that information was then shared with our colleagues from the NCCA. In turn, at the time, NCCA was heavily involved in special educational development, particularly in inner city areas of Dublin. A lot of that sort of work was shared with CCEA.

So, those events tended to be workshops with managers and council members and dealt with

areas of particular interest. There were work programmes developed and delivered from those conferences and reported back on. Some of the stuff that the guys in the NCCA did has been used in the North, and some of the stuff that we did in CCEA has been used in the South. So, there is cost benefit to that sort of joint working.

**The Chairperson:**

We still do not have the published accounts for CCEA from 2009-2010. Is that an unusual situation to be in at this stage of the year, given that we are heading into July?

**Mr Boyd:**

Yes, it is. I received the accounts from the Comptroller and Auditor General yesterday, and I am expecting them to be laid before the Assembly imminently. Reference has been made to issues around corporate governance. There was a considerable amount of work required to tidy up the aftermath of the issues that John has described, and we were heavily involved in doing that before we were in a position to get the accounts signed off.

**The Chairperson:**

Your position, Gavin, has involved a multiplicity of titles. You have had more titles conferred on you than the Queen has conferred on any individual for her birthday honours list or the New Year's honours list. I have seen you described as interim chief executive. There are two roles; you double-job. Politicians here have every right to have a go at you, because we have got a pretty rough ride on the issue of double-jobbing, albeit not for the same remuneration as you. However, you have been double-jobbing in your position as interim chief executive of ESA, an organisation that is still not in existence, which has spent £10 million and has not delivered one item of benefit to the education system in Northern Ireland. Allied to that, you have been in and out, from 2000 to 2007, then back between the end of 2009 and the beginning of 2010. Has any of that contributed to what has been seen as a PR disaster for CCEA?

**Mr Boyd:**

Let us take the issues around corporate governance first, if I may, Chair. Those issues arose because CCEA found itself in a particular situation. After I left, an acting chief executive was appointed. However, when I left, CCEA anticipated that the Education and Skills Authority

would come into being on 1 April 2008. When it became clear that that was not going to happen, CCEA found itself without a top management team and sought to put one in place. Those issues specifically arose out of the circumstances of the time.

I was asked by the council of CCEA and the permanent secretary to go back into CCEA, first to conduct the series of monthly meetings that John referred to from the start of 2010, and to look at issues of corporate governance and performance around examinations. I was asked to do that because of my knowledge of the organisation, and because of the significant concerns that there are about an organisation where failure can have huge consequences for young people. When the chief financial officer and the chief executive left by the end of June, I was then asked, again by the permanent secretary and the acting chair of CCEA, to step in and see the organisation through the summer examinations period.

I am tempted to quote the old army adage that you should never volunteer for anything, because I am still there doing my best to hold the thing together. I need to point out to you, Chair, that the organisation currently does not have a chair, a full-time permanent chief executive or any directors in full-time permanent posts, and 50% of the staff in the organisation are on fixed-term contracts or are acting up.

**The Chairperson:**

Some of us would suggest that perhaps the ESA board could be a recruiting department for CCEA and some of the people who have been seconded out of the other boards and are beginning to filter back to their original posts. Personally, I think the way the whole ESA thing has been handled is a fiasco. The Department took the position to bring that organisation into existence and it went on and on and on, despite our reservations about it. We have these difficulties to compound that, and allied to that, Gavin, which is equally as worrying, is that, during that period, serious issues were raised about some of the examination results.

I give this as a personal view: I appreciate the work that CCEA did, particularly in a school in my constituency where there were difficulties. I think that was resolved in a way that was fair and amicable, and I would give CCEA the credit for the work that was done there. However, there were other issues around exams at the same time or prior to that, which I think still leaves

an issue of confidence in people as to the ability of the organisation to be able to deliver those things.

**Mr Flanagan:**

As a new member of the Committee, can I seek clarification on the role of CCEA because, looking through some of this, you would near swear you were a travel agent.

**Mr Boyd:**

CCEA has, essentially, two major statutory responsibilities. One is in relation to the statutory curriculum, and that is what, by law, must be taught in schools. That is fundamentally important because that starts to shape young citizens for the future and prepare them for the world that they are going to face.

The second is to deliver the state examinations. I suppose that a further question you might ask is why bother looking at the curriculum and state examinations. The fact of the matter is that it is the statutory curriculum and the specifications for examinations that determine what goes on in our schools, because that is what shapes teaching and learning in schools.

**Mr Flanagan:**

That is fairly helpful. You also rebuked Mervyn's assessment that these were jollies. I think another term for them would be junkets, and I do not think there is any denying that.

Why was it decided to have the event in Galway? As a Fermanagh man, I would always argue that more meetings such as this should happen in the west. However, it is clearly not cost effective to do that, particularly on such a large scale. You also said that the decision to hire a jet was based on cost. Why was that consistency not applied to other events to measure them on a cost effective basis?

**Mr Boyd:**

The decision to hold the meeting in Galway was taken by the National Council for Curriculum and Assessment in the South. That was their decision. They have a very large governing body; from memory, it is about 35 members. It is a representative body that includes a lot of groups.

The nature of that body means that it has representatives from all over the country. They, as a matter of policy, choose to move their meetings around. They do not have them all in Dublin. So, on that occasion they chose to have the meeting in Galway. Our job then was to get there to have the meeting. You will have noted in some of the other coverage that, on one occasion, when we brought them north, the meeting was held in County Fermanagh.

**Mr Flanagan:**

Yes, I saw that. What are the benefits of these events? There was £65 a head spent on a lunch in Holywood. There were three awards events. How does attending that type of event help CCEA to fulfil its roles and obligations to the Department?

**Mr Boyd:**

In relation to awards, I spoke about the European Foundation for Quality Management (EFQM) Award, the premier organisational award in Europe. There was also the British Quality Award, and the Northern Ireland Quality Award. All these were used as methodologies to improve the performance of the organisation.

CCEA was basically in the last chance saloon at the end of the 1990s. Direct rule Ministers had made it clear that one further significant failure and the organisation would be finished. There had been some very serious incidents, including one case at the end of the 1990s when a number of young people lost their place at university because of not getting the right results. So, there were a number of very serious issues.

My job, coming in from the private sector, was to deal with those process issues, and we dealt with them in a process way. We used ISO management techniques — a whole series of management techniques — to improve the processes in the organisation. We used the EFQM model, which is the premier model for doing this, to raise the standards in the organisation.

You may reasonably ask what benefit is all that to taxpayers. The simple fact of the matter is that by driving up quality standards, we significantly increased the efficiency of the organisation and made it a much better place to work. For example, from 2000 to 2006, the sickness absence in CCEA reduced from something approaching 15 days to just under six days. Members will be

familiar with some of the recent discussions on sickness absence in the public sector, but we got it down to below the private sector average as a result of making it a much better place to work, and being much more efficient. That, in itself, was delivering efficiencies of over £500,000 a year.

**Mr Flanagan:**

So travelling to those awards events was really a way of rewarding staff. It is written here that it was justifiable in those terms. Were any of the staff who attended such events rewarded with bonus payments for the success of the organisation?

**Mr Boyd:**

The organisation did not award bonus payments to any significant extent. Mind you, a series of recognition awards, and rewards, went on right across the organisation. However, they were of a nature that you would expect to see in any organisation: recognition and reward schemes.

**Mr Flanagan:**

We will come back to that later.

With regard to the trip to Paris, the last thing it says is that it was an exceptional event and that it is not to become part of a normal pattern of activity. However, that was the third year in a row that the organisation decided to be represented at a hugely expensive awards do: does that not indicate that that was already part the organisation's normal pattern of activity?

**Mr Boyd:**

I assure you that there is no question at all of attending any award ceremonies at present. That is not on the agenda. You will be aware that I was involved in the start of the journey, but not in its end. Looking back over the papers of the time, I would characterise this as follows: we had an organisation which came from rock bottom to winning the Northern Ireland Quality Award, the British Quality Award and the European Quality Award. The organisation took the decision that it was appropriate to attend those events to accept the awards, and I cannot overestimate the importance, for the organisation and for the whole public sector, of a small organisation achieving such levels of performance. It was quite exceptional.

**Mr Flanagan:**

There was also an event in September 2008 to recognise the award of an OBE to a previous chairman of CCEA. Was he the chairman at the time of the event, or had he already left the organisation?

**Mr Boyd:**

He had already left the organisation at that time.

**Mr Flanagan:**

Do you think it an acceptable use of public money to reward someone who has already received an award more prestigious than a lunch with such expenditure?

**Mr Boyd:**

I can only say that the accounting officer, chief executive and chairperson at the time clearly felt that that was appropriate. They decided that it was appropriate.

**Mr Flanagan:**

We have seen that hiring jets to fly to Galway had the potential to affect public perception. Can you explain to me why a single-day conference in Armagh justified overnight accommodation?

**Mr Boyd:**

I do not think that that was a single-day conference.

**Mr Flanagan:**

I have the date of the event as running from 21 October to 21 October.

**Mr Boyd:**

No. It ran from 21 to 22 October.

**Mr Flanagan:**

So that is a typo?

**Mr Boyd:**

I believe so. The documentation that I have very clearly specifies 21 to 22 October.

**Mr Flanagan:**

Were it not for the individual who submitted all these freedom of information requests, none of this would have come to light and the Department still would not know. Has the organisation uncovered any more bombshells about the abuse of expenses or events held in external locations since this?

**Mr Boyd:**

I have tried to characterise the organisation's activity. I have said that it typically holds up to 5,000 meetings, events and conferences per annum. So a huge amount of such activity goes on. I have said that that is a part of the normal core activity of the organisation. This is the way that business is done. Many of those meetings happen in the evenings or over weekends in CCEA headquarters. I regret and cannot stand over some of the money spent at some of those events. I assure the Committee — the Department's internal audit report reflects this — that processes and procedures developed considerably over the period, as indeed public procurement processes, procedures and practices developed. In, I think, August 2010, I wrote to all staff and made it absolutely clear that no event could take place outside the premises without the prior agreement and sign-off of a director or chief executive. So, I can guarantee you that, whatever happened in the past, there are very stringent controls in place now to make sure that there will be no repeat.

**The Chairperson:**

The issue of procurement, and so on, in the South Eastern Education and Library Board and the North Eastern Education and Library Board was raised. The Department sent in somebody on a white charger and appointed somebody to do a trail. All the CCEA investigations that I have read about are internal. CCEA investigated itself on those issues. I do not see anywhere that the Department appointed anybody to look at those issues. The Department identified the issue with the top management. However, the travel agency stuff was all done internally by CCEA. How is it that did the Department not send somebody in and say —

**Mr McGrath:**

We did. We sent our internal audit team into CCEA.

**The Chairperson:**

Was that internal audit from the Department?

**Mr McGrath:**

Yes.

**The Chairperson:**

So, when we read about the “internal audit”, it is internal audit from the Department, not from CCEA?

**Mr McGrath:**

Yes.

**The Chairperson:**

OK. My apologies.

**Mr McGrath:**

It is the same as when we sent our internal audit team to a number of the boards.

**The Chairperson:**

That is fine. I take that back.

**Mr McGrath:**

I will take up the point that Phil made. When we asked for information, we did not just ask for information about what came out of the FOI requests, but we asked for any other information about hospitality or outside events. So it was not just about what had been flushed out but was about everything else. It was a vacuum cleaner approach. Then, we got our internal audit to go in for precisely the reasons that you mentioned.

**The Chairperson:**

So they were treated the same.

**Mr McGrath:**

It was done with the same rigour. The Department identified sufficient information to be concerned and then asked our own internal audit. We got an awful lot of information. As Gavin says, CCEA sponsors a lot of events that are just normal business. It is about trying to work out what ones will be a concern and what is simply normal and appropriate business. Internal audit went in and did some work.

**Mr Lunn:**

This feels more like a Public Accounts Committee meeting than an Education Committee one. You have already covered most of what I wanted to ask you, Gavin, so I will not detain you much longer. Was the event in Letterkenny, which is described as a CCEA education conference, your own conference? Why go to Letterkenny?

**Mr Boyd:**

There are two reasons. That conference involved people from all over these islands. A number of people came in from various places. However, the honest answer is that that hotel was opening and there was a very special offer. The rates, relative to the number of people involved, were very low, and a special offer was available at the time.

**Mr Lunn:**

Did you need 88 people to go? Is that a reasonable figure?

**Mr Boyd:**

More than 88 people were involved in the conference. It was a very large scale conference involving speakers and participants from all over these islands. It was a very worthwhile piece of work that dealt with the development of vocational qualifications.

**Mr Lunn:**

In some of the press stuff, there is an allegation that you paid for bar bills. Most of the

information mentions room hire, tea, coffee, lunches and dinners. Does that include wine with your dinner, and what you might drink afterwards?

**Mr Boyd:**

The answer to the first part of your question is yes, on occasions. The answer to the second part of your question is no. There have been a small number of occasions where, for example, at a major conference with visitors coming from a number of different places, wine was provided with dinner. On looking at some of the expenditure, I have to say that that has, on occasions, been excessive. I deeply regret that. That simply should not have happened. However, I believe that it happened on a small number of occasions.

**Mr Lunn:**

I want to go back to the infamous flight to Galway. I must confess that the more I look at that, the more I tend to agree with you. It was, perhaps, cost effective. If you had not flown those people to Galway, surely you would have had to pay for two extra nights' hotel accommodation for them all, for a start.

**Mr Boyd:**

Recently, I made a presentation to the CCEA staff on that matter, because they were concerned and upset about the sort of publicity that we got in the media. One of the comparisons that I used was that, about four weeks ago, I looked at the relative costs of sending an official to Edinburgh. The cheapest way to do that was by ferry and train. However, to do it that way, the official would have had to leave the centre of Belfast at 10.30 am in order to arrive in Edinburgh at 7.00 pm. You made the point about full-day meetings. Perhaps that approach is too simplistic, but it makes your point exactly. The Committee would not expect me to send officials to meetings in London, for example, by boat and train. That would simply not be appropriate. I am not making a simplistic point because, of course, if you book the flights early enough you will get them cheaper than the boat and the train. However, you understand the point.

**Mr Lunn:**

That is my point. If the alternative, in the case of Galway, had been travel by road, coach or car, it would have meant a five-hour drive there and a five-hour drive back, which would have been

the day before and the day after the conference. You would have had 25 or 30 staff spending two days doing nothing except looking out of the window. You would have had to pay for two extra nights' accommodation in what is a very nice hotel, as far as I know. Furthermore, if they had gone by car, you would probably have had to pay them 50p a mile there and back. I checked Google before I came here; it is 190 miles to Galway, which amounts to £190 for each car. When you add it all up, the air travel does not seem so bad to me. I am supporting you without having to ask you a question; it looks perfectly sensible to me. Would you agree?

**Mr Boyd:**

Thank you for your support. I will also make the point that, at the time of that journey, the motorway system was not anything like as well developed as it is now. I had made the journey myself by car in different circumstances, and to have done it in those days in five hours would have been quite some trick.

**Mr Lunn:**

Yes, it was six years ago now. In fact, you would probably have taken the option of going via Dublin, for the better road.

**Mr Boyd:**

If you were making the trip now, you would certainly go via Dublin and take the motorway the whole way.

**Mr Lunn:**

It then becomes 230 miles. It is 150 miles by air. I have no more questions, Chairperson.

**Mr McDevitt:**

I do not want to go over the hospitality issues, which have been well covered by colleagues. However, the governance issues are another aspect of the matter. I thank you for the briefing paper that you provided; it covers the chronology of events well. Is it possible to give us some sense of the disparity in the proposed pay approved at CCEA's May 2008 remuneration committee relative to what would have been, I suppose, expected pay at those grades? I presume that there would have been an expectation that those grades would have come in at a certain level,

and one would presume from this that the proposed pay was at a much higher level. What sort of disparity was there at that committee?

**Mr Boyd:**

I am sorry that I do not have the details with me. I am happy to check them out, but from memory, it was relatively small. It amounted to some hundreds of pounds per annum. The issue was one of principle, that there were extant salary scales in the organisation, and, for reasons that are still not clear to me, the organisation decided to use salary scales that were different. However, the difference to the staff concerned was actually very small. As you will see from your briefing papers, the staff concerned were quite content just to be slotted into the existing pre-approved salary scales.

**Mr McDevitt:**

Therefore, John, it is your opinion that this is a point of principle rather than a substantial point of mismanagement of public funds.

**Mr McGrath:**

Requirements to seek departmental approval for changes to pay were not adhered to. As the Chairman said, the net effect will not have differed much. However, that is not the point: rules are rules. You cannot apply the rules only when there is a material difference. With CCEA, and in general, there are rules that require departmental approval and, perhaps in certain cases, DFP approval. That is how public-sector pay policy works, and it needs to be adhered to. It is as much a matter of discipline as anything else.

**Mr McDevitt:**

Absolutely. I am entirely supportive of rules being rules. I have a couple of questions, because it perhaps highlights how the public sector works. How many posts were involved?

**Mr Boyd:**

Three director posts were involved.

**Mr McDevitt:**

Therefore three director posts —

**Mr Boyd:**

Sorry; there might have been four director posts, plus the post of chief executive at the time. One of the posts is vacant.

**Mr McDevitt:**

That is a maximum of five posts, each at several hundred pounds above the salary for the post; that was the excess expenditure above the rules that was exposed. However, the Department sought DSO advice. What costs did the Department incur in tidying up that mess?

**Mr McGrath:**

We did not quantify it.

**Mr McDevitt:**

It was probably more than what you were paying those people in excess.

**Mr McGrath:**

Perhaps, but it is simplistic to state the sums that are involved. The rules are the rules. Earlier, we said that the Department has responsibility for oversight of its non-departmental public bodies (NDPBs). For whatever reasons, that organisation breached its own governance rules and the financial memorandum and management statement. It was getting into unsafe territory, and we had to deal with that and ensure that the organisation and the council understood fully the limits of their authority and where they had to seek departmental approval.

**Mr Boyd:**

Although the basic salaries and the total package were not significantly different, the posts attracted performance-related pay, which was legally quite challenging. Before getting departmental approval, CCEA told staff what their performance-related pay would be. Earlier, the Chairperson asked about the lateness in tying up CCEA's accounts for 2009-2010. One of the issues on which legal advice had to be taken was whether an indication to staff of what their PRP entitlement was constituted a contractual entitlement. That was quite a thorny technical issue, and it required proper legal advice on both parts.

**Mr Craig:**

Forgetting about governance issues, I will go back and look at all the conferences, which I find intriguing. I am not arguing about the fact that you have to go to those conferences, but I find the numbers that you send intriguing. Forty people attended your conference in the Armagh City Hotel, and 30 attended one in the Connemara Coast Hotel in Galway. One hundred and eight attended a conference that you ran in Letterkenny, and you seem to have paid for all of them. You had 11 attendees at the UK Business Excellence Awards at the Hilton Park Lane in London. Forgive me for being pedantic, but how do you justify so many people going to those events?

**Mr Boyd:**

Working conferences can range from 150 to 200 people. For example, we organise events around the revised curriculum or the new assessment arrangements that involve large numbers of teachers. We might bring in 150 or 200 teachers at a time. Such conferences are rarely overnight events.

Other events involve getting an entire education group, its managers and professionals together to get their heads around an idea and so make a contribution to it. That involves large groups of people; it is how the education sector typically does its business. Even Mr McGill, who was the freedom of information correspondent, made the point when he was interviewed that conferences are how education does its business.

However, putting that to one side, there is legitimate concern about how many people you send to an awards dinner. Today, I do not think that we would send anyone to an awards dinner; that would be off the agenda because of the pressures on the education budget. The thinking in most of those circumstances, I believe, was that a representative group from the organisation — the people involved in getting it to that standard — would have been involved. Nevertheless, I completely accept your point.

**Mr Craig:**

On average, you send 10, 11 or 12 people to awards. I may be out of order, but any organisation or public body that I have been involved in would have sent two or possibly three individuals to

such an event and taken the pat on the back that you probably deserved. You would not have sent those numbers.

**Mr Boyd:**

I accept your point completely, but, to my knowledge, in all those circumstances what happened was that the organisation took a table, which is not unusual for such events. For example, there were 1,000 people at the European Quality Award event in Paris, at which the organisation took a table of 12 people. There were representative groups of organisations competing there from all over the European Union, and the CCEA delegation was one of the smallest, if not the smallest. However, I completely accept your point.

**Mr Craig:**

Therefore, Gavin, you thought that it was acceptable to go to Paris and spend almost £7,000 of taxpayers' money for a table?

**Mr Boyd:**

I did make the point that I was not part of the decision-making process at the time, but, having reviewed the decision-making process, that was the decision that the organisation took at the time.

**Mr Craig:**

Someone has to ask whether a conference venue is good value for taxpayers. When you hired the private jet to Galway, did somebody somewhere not ask, "Is this place too costly; should we be taking part?"?

**Mr Boyd:**

Participation in North/South events was actively encouraged at the time.

**Mr Craig:**

It might well have been, but you are the accounting officer. Do you not ask yourself, "Frankly, from the public point of view, this is not justifiable. We are not going."?

**Mr Boyd:**

In those circumstances I would take my direction from policy at the time, and the policy at the time was actively to encourage co-operation between those bodies. That came directly from Ministers.

**Mr Craig:**

Active co-operation might well have been encouraged, but I ask John and the Department to look at that issue. We are getting a long list of conferences all over the place, and they seem to be frequent. Every one of them costs a fortune, even the bargain that you said you got with the new hotel. It is still expensive to the taxpayer. Does the Department keep track of value for money for the taxpayer with regard to that?

**Mr McGrath:**

I need to put it on record: the Minister regards issues around the plane as unacceptable. It touches on the issue that you raised: do you have to have so many people going to things? You need someone to represent the organisation, but you do not need so many people.

We have issued guidance to the education service. We do not expect people to use hotels or external venues for events; we expect them to use premises in the system or voluntary or community facilities at less cost. We are bearing down on that. People should work up a business case to justify any use of hotels. There is an assumption against using hotels for such events. You may get a good deal, but the man driving past an education conference does not know that; he works on the basis that the taxpayer is paying full rate. We are bearing down heavily on that. As I say, it is not just about value for money; it is about public perception. The assurances that we have asked for are now about words such as “extravagance”. You can work up a business case to say that something is value for money, but it may not necessarily be the right thing to do. We have given very strong messages. We are still working with people and saying that they probably could work out a rationale to use an hotel but that they should find another way of doing it.

Many of the schools that we have built in recent years have stunning facilities in which you can run 200 or 300 events; the Belfast Model School for Girls ran festival events last year. That

may not be how you are used to doing it, but times have changed. The Department no longer uses external premises; we use public-sector or voluntary or community facilities, such as the NICVA building in Duncairn Gardens, for example. We police it and we challenge people when we see something fancy and ask whether they need to do that and whether they need to stay overnight, which is the point that you made. We are very rigorous.

**Mr Craig:**

In all the reports there is reference time and again to bar bills being paid. Was any bar bill paid out of the public purse?

**Mr Boyd:**

There were occasions when wine was provided with meals. I mentioned that in the question. We have tried to review bills. Many events in the report go back several years, and some of the documentation is simply no longer available. I am aware of three instances in the documentation that involve bar bills and wine being provided with an evening meal. One of them was a clear breach of policy because it involved wine being made available with lunch, which is not part of policy.

**Mr Craig:**

Where policy was breached, was the money recovered from the individuals? Was any discipline handed out?

**Mr Boyd:**

The breach of policy that I identified was, I think, an event that happened in 2008. I reviewed all the events in late 2010-11. It was a matter of, I think, £182. The answer to your question is no.

**Mr Craig:**

All those decisions, the long list of conferences, and all the rest of it is bringing your organisation and the Department into disrepute. Perhaps you need to think about it long and hard. All public bodies should take their future conduct into account. I will leave it at that.

**The Chairperson:**

Not to crow, but the Education Committee is hosting a stakeholder event tonight that costs the princely sum of £119. I think that we have done exceptionally well. It will be held in the Building and, no, I will not staying overnight.

For an arm's-length body of the Department of Education of Northern Ireland to spend £15,000 in another jurisdiction is not good PR for Northern Ireland. The Letterkenny thing was probably worse. Although there was the issue of the jet, and the public perception of that is not good, spending £15,000 on a conference in Letterkenny was a bad mistake. You have answered Jonathan's question: nobody has been disciplined either by the Department or by CCEA. Everybody seems to be saying that they have reviewed the matter and that the body has been told that it is not allowed to do that. However, nobody has been held accountable. That does not auger well for creating an organisation far bigger than CCEA. We have been told that creating that big organisation will deal with all the issues of procurement and how we spend money. It will put a serious question mark over having a large organisation.

Thank you, Gavin and John. Since there are no more questions, we will leave it there for the meantime. We will wait for the accounts to be put before the Assembly. We may revisit the issue.