

**Staff Commission for Education and Library Boards
Annual Report and Accounts
For the year ended 31st March 2011**

*Laid before the Northern Ireland Assembly
under paragraph 7 of Schedule 15
of the Education and Libraries (Northern Ireland) Order 1986
by the Staff Commission for Education and Library Boards.*

on

30 June 2011

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SECTION 1

MISSION STATEMENT

“To maintain the Commission as a key strategic resource within the Education and Library Service ensuring best practice in relation to organisational development and human resources management.”

EQUALITY STATEMENT

The Commission is fully committed to an organisational culture that provides and promotes diversity. It will mainstream equality and diversity into its policies and practices. The Commission will also explore opportunities to promote good relations in the delivery of its services.

CORE VALUES

In delivering services the Commission will:-

- be equitable;
- be accessible;
- respond to customer needs;
- be open and accountable;
- act promptly;
- be professional;
- behave with integrity;
- maintain confidentiality;
- respect all opinions.

CHAIRPERSON'S FOREWORD

I am pleased to present this Annual Report for the year 2010/11, which includes a brief account by the Commission's Chief Executive, Patricia Weir, of another successful programme of work, together with a set of accounts that illustrates once again that the Staff Commission offers the taxpaying public excellent value for money. It is worth noting that within the modest resources allocated by the Department of Education, the Commission achieved efficiency savings of approximately 3% of the annual allocation by the end of the financial year.

Additional resources were allocated by the Department to facilitate the voluntary severance of the Chief Executive/Secretary with effect from 31st May 2011 (paragraph 2.2 refers).

The great majority of targets set within the Business Plan for the reporting year were achieved, and the few not achieved were due to factors outside the Commission's control.

It is also pleasing to note the Annual Internal Audit Report for 2010/11, which confirmed the Commission had regained its award of 'substantial' level of assurance and the independent internal auditor had reported 'no issues' on the completion of the audit.

This all represents a consistently excellent achievement, especially against a background of widespread uncertainty across the sector, and the Commission staff deserve our warm congratulations and appreciation.

In tandem with the Commission's statutory services to the five Education and Library Boards (summarised at 2.4 and 2.5 below), the work of the Commission has continued to be dominated by the prolonged transition to the establishment of the Education and Skills Authority. During the year, Commission staff contributed to a range of HR and Equality issues, including the development and adoption of common policies and procedures to underpin effective information governance across the Education sector, the development of a revised Recruitment, Redundancy and Voluntary Severance strategy, and a detailed analysis of allowances, bonuses and annual leave provisions.

The Staff Commission has continued to play a leading role in the development and implementation of the equality agenda in Education and wider afield. During the year the Equality Commission invited the Staff Commission to develop and deliver training on how to conduct an equality impact assessment to the European Network of Equality Bodies. The Commission was also invited by the Public Sector Learning Network, in Dublin, to develop and deliver training on equality screening.

In the past I have highlighted the Commission's involvement in the Equality Commission's review of the effectiveness of the Section 75 Equality Duties, which has culminated in the publication of a Revised Guide. As a result of the outworking of this Revised Guide, the Commission/Boards are under a legal duty to submit to the Equality Commission a revised Equality Scheme. Additionally, it is recommended that an Audit of Inequalities and Equality Action Plan be developed for implementation during the period 2011/12. The Commission has played a key role in the co-ordination of an inter-Board/Staff Commission approach to the completion of this programme of work. In addition it has taken the lead in the development of a revised Equality Screening Toolkit, which will be implemented on an

inter-Board/Staff Commission basis when the revised Equality Schemes have been approved by the Equality Commission.

Once again, the Staff Commission has carried out a very wide range of duties on behalf of the whole Education sector, with limited staffing and other resources. The Chief Executive and her staff deserve full recognition and commendation for what they have achieved. I would like to take this opportunity to thank our many partners (not least in the Community, Voluntary and Trade Union sectors) for their continuing co-operation and support; and also to record once again my appreciation to all my fellow commissioners for their valued contribution to our endeavours.

Since this is Patricia Weir's last annual report as Chief Executive/Commission Secretary before her early retirement, I would like to pay a personal tribute to her dedication and professionalism throughout my time as Chair, and indeed for many years before that. While I have learnt a great deal from working with her, in terms of both her range of management skills and her personal qualities, what has perhaps impressed me most is her use of informal channels of communication and direct talking to anticipate problems or to defuse them once they had arisen. I am sure I am speaking for everyone in the Education sector when I wish Patricia joy and happiness in a long and healthy retirement.



Professor Bernard Cullen
Chairperson

SECTION 2

CHIEF EXECUTIVE'S REVIEW OF THE YEAR

2.1 REVIEW OF PUBLIC ADMINISTRATION (RPA)

The main focus of the RPA was on the rationalisation and modernisation of the present Local Government, Health Bodies and Education administration structures. The key proposal for Education was the formation of a new Education and Skills Authority (ESA) and a new Northern Ireland Regional Library Authority (NILA). Libraries NI was established on 1 April 2009.

In November 2008, the Education Minister announced a revised RPA implementation timetable for education with a view to having the ESA operational by 1 January 2010.

During December 2009 the Minister confirmed that, due to the delay in the progress of the first Education Bill, the Education and Skills Authority (ESA) would not be established by 1 January 2010. In a statement to the Assembly on 1 December 2009 she emphasised that work to establish ESA would continue. She said that she would be using existing legislation to reduce bureaucracy and streamline education services in preparation for ESA. Paragraph 4.11 of the Minister's Convergence Delivery Plan, issued on 26 February 2010, states "*Whilst the Staff Commission will continue to exist in line with legislation, the executive support functions will be integrated with the HR and Workforce Development area of responsibility*".

Following the delay in the establishment of ESA on 1 January 2010, transitional governance and management arrangements were implemented and a Programme Management Board was established to oversee convergence across the five Education and Library Boards.

Formal meetings of the ESAIT Project Groups covering human resource and equality issues were suspended to allow for programmes of work around convergence and subsequently regionalisation to emerge and develop.

During this period, the Staff Commission continued to provide professional advice and guidance to all the education partners on human resource and equality matters connected with the change process, as well as providing on-going services to the Education and Library Boards. In particular, there has been significant input to the gathering and analysing of information relating to the terms and conditions of service for non-teaching staff employed in the current education employing authorities. This valuable work will assist in the development of terms and conditions of service for new staff under any new arrangements, as well as identifying harmonisation and protection issues for existing staff. Much of this extensive work will not bear fruit until after the new employing body has been established.

The Commission represented ESAIT on the:-

- a) Department of Education's Steering Group 'Equality in Educational Governance' and contributed to the research conducted by PriceWaterhouseCoopers (PWC) both in terms of its methodology and the provision of feedback on draft reports.

- b) Equality Commission's Advisory Group 'Indicators of Equality of Opportunity and Good Relations in Education'. The research project has involved extensive work to identify relevant key issues and criteria for the development of a robust framework. The proposed indicators which have emerged from this project have been developed principally as a result of:-
- i) A reflection on comparative indicator frameworks as developed elsewhere;
 - ii) A literative review;
 - iii) Engagement with key stakeholders, both at an early stage of the project and on the basis of draft proposals.

The Advisory Group has been involved in all aspects of the project.

- c) The Commission participated in the ESAIT Freedom of Information Working Group which was established to progress the development and adoption of common policies and procedures to underpin effective information governance across the nine organisations in preparation for day one of ESA. This work has facilitated the identification and sharing of best practice across the organisations and significant progress has been made by the Group. A number of key strands of work are being progressed to ensure that required assurances on Information Governance can be provided for Accounting Officers.

Commission staff continue to work collaboratively with the ESA Implementation Team on all aspects of Human Resources and Equality as required.

2.2 BUDGET 2010/11 COST REDUCTION PROGRAMME – VOLUNTARY SEVERANCE

The Education budget will be significantly constrained over the next four year budget period. In anticipation of the scale of the likely changes, the Minister introduced an accelerated targeted programme of cost reduction in the reporting year. To facilitate this, the Minister authorised funds to be made available to support a voluntary severance scheme. She made it clear that in shaping budgets for the coming years, her priority was to reduce management and administration costs, seek efficiencies in support services and protect front line services as much as possible. The initial cost reduction programme will focus on central management and administration and also professional development and support services.

Each Education and Library Board, along with CCEA, CCMS, Youth Council and the Staff Commission, was asked to bring forward proposals for cost reductions and release of staff in these two areas. Proposals could be either streamlining within a single organisation or proposals to deliver services across 2 or more organisations.

In line with the cost reduction programme, requests for voluntary severance were sought from the Commission's Senior Management Team and subsequently, the Commission's Secretary/Chief Executive's request for voluntary severance was approved with effect from 31 May 2011. Mrs Deirdre Vaughn Daly will be Senior Principal Officer/Commission Secretary, which includes the Accounting Officer role, with effect from 1 June 2011.

The Staff Commission's financial allocations are provided to support the delivery of the Department's strategic objectives and the priorities for Education. In view of the

overall resource position for 2011/12 and subsequent years, the Department has asked the Commission to explore fully with the Education Boards and the Department, the opportunities to realise efficiencies and ensure consistency of service delivery through regionally managed services. The Staff Commission's full and positive engagement will therefore continue to be required in the planning and development work being led by the ESA Implementation Team.

2.3 EQUALITY ISSUES – PROMOTING BEST PRACTICE

Equality Statement

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

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

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

Equality Duties

The Commission contributed to the promotion of best practice on the promotion of equality of opportunity and good relations through its work with the Equality Commission and its partnership working with ESAIT and the five Education and Library Boards.

In this regard, the Commission is involved in the following work.

a) Revised Equality Scheme

In the period 2006-08 the Equality Commission conducted an Effectiveness Review of the Section 75 statutory equality duties. This Effectiveness Review's recommendations have influenced the direction and informed the content of the Equality Commission's revised Guide for Public Authorities which was approved by the Secretary of State in April 2010. One of the most significant changes to emerge is that a revised Equality Scheme be requested from all specified public authorities, accompanied by an equality action plan linked to the corporate planning cycle and which is based on a systematic audit of inequalities. The Commission was represented on the Advisory Group which advised the Equality Commission on its revised Guide.

The Equality Commission is requesting revised Equality Schemes in 7 tranches at 3 month intervals. The first tranche was all government departments and the Health sector. The five Education and Library Boards and the Staff Commission were notified on 28 October 2010 that a revised Equality Scheme would be formally requested on 1 February 2011 for submission to the Equality Commission by 1 August 2011. This is both a statutory timeframe and obligation.

The Staff Commission and the five Boards have worked together using the Equality Commission's Model Scheme to develop revised Equality Schemes. The revised Equality Schemes were issued for consultation on 18 April 2011.

b) Audit of Inequalities

The Staff Commission/Boards have adopted a co-ordinated approach to the completion of an Audit of Inequalities to inform the development of an Equality Action Plan. The Commission has played a key role in co-ordinating, developing and completing the Audit. In the context of a co-ordinated approach and to avoid duplication of effort in the completion of the audit of inequalities each Board will lead on a functional area(s) of work. The Commission has taken the lead on 'Employment' issues working in partnership with the Boards' Equal Opportunities Officers. At the year's end a work in progress draft was available.

c) Revised Equality Screening Toolkit and Screening Template

The Equality Commission's revised Guide for Public Authorities on the implementation of the Section 75 Equality Duties contains new and very specific guidance on the equality screening process. The Commission took the lead in the development of an inter-Board/Staff Commission Screening Toolkit and a new screening template. The new toolkit and template were issued for consultation in April 2011.

d) Screening Report

The Staff Commission assisted the five Education and Library Boards in the drafting, production and publication of the 'Boards'/Staff Commission's Supplementary Report of the Screening of New Policies, April 2009 – March 2010' and the 'Screening Decisions on the Boards' Resource Allocation Plans 2010/11'. A Special Meeting of the Joint Consultative Forum was convened on 18 October 2010 to discuss the Supplementary Reports and RAPs.

e) Inter-Agency Working

European Network of Equality Bodies

At the request of the Equality Commission for Northern Ireland, the Commission developed and delivered training to the 'Equinet' on how to conduct an equality impact assessment.

Public Sector Learning Network (PSLN), Dublin

As a result of the training provided to Equinet, the Staff Commission was invited to develop and deliver training to members of the PSLN on equality screening. The network, which supported public sector organisations in developing an organisational competency in the area of equality, comprised different public bodies such as local authorities, vocational educational colleges, Health Service Executive, Dublin Bus, all of whom were represented at the training.

Job Evaluation

Training materials were developed and delivered to the Education and Library Boards' Independent Chairs of Job Evaluation Panels. It covered equal pay/Section 75 equality and anti-discrimination issues associated with job evaluation.

- f) **EQIA – Provisional Criteria for Initiating Statutory Assessments of Special Educational Need and for Making Statements of Special Educational Need**
The Staff Commission provided advice and assistance to the Boards in the completion and publication of the above EQIA.

g) **Disability Duties**

Last year five Education and Library Boards, Council for Catholic Maintained Schools and Staff Commission launched their Report 'Its Good to Listen' which collected information from children and young people with disabilities on their experience of school life in mainstream schools. In consultation with representatives of Disability Groups it was agreed that the survey be extended to children and young people with disabilities in special schools.

A briefing paper was issued on the 8 June 2010 to all Principals of Special Schools to encourage the involvement of Special Schools in exploring ways to enable similar information to be collected from children and young people in that sector. This work culminated in agreement that a pilot exercise be conducted in Castle Tower School with Key Stage 3 (KS3) pupils with Moderate Learning Difficulties (MLD).

The pilot exercise was undertaken in November 2010 with 25 KS3 pupils with MLD participating; a data overview document which detailed the findings of the survey was compiled. It concluded that as with the survey in mainstream schools that the survey could be completed on line for this pupil target group. The completion of the survey in this sector together with the outworking of the action to emerge from the survey in mainstream schools will be progressed under the Equality Action Plan.

2.4 CODE OF PROCEDURES ON RECRUITMENT AND SELECTION

The Code has been reviewed in the context of the Education Sector Policy on the Control of Vacancies, the development of HR policies in relation to the establishment of ESA and the implementation of the Convergence Delivery Plan.

2.5 FACILITATING INDUSTRIAL RELATIONS

The Staff Commission is charged with responsibility for ensuring that suitable machinery exists for negotiating the terms and conditions of employment of all officers of the Education and Library Boards. The Staff Commission provides an independent secretariat and research facility to progress the work of the negotiating machinery and to provide impartial advice and assistance to the Employers' Side and Trade Union Side Secretaries. The Joint Negotiating Council (JNC) and the Senior Management Pay Review Panel (SMPRP) are the main mechanisms through which this responsibility is discharged.

Joint Negotiating Council

During the reporting year there were three JNC meetings, three meetings of the Executive Committee, and numerous working party meetings for specific initiatives. Nineteen JNC agreements were promulgated and issued during this period.

Key items of business related to:

- **Review of Public Administration Convergence Delivery Plan**

Following the delay in the establishment of ESA on 1 January 2010, transitional governance and management arrangements were implemented and a Programme Management Board (PMB) was established to oversee the delivery of convergence across the Education and Library Boards.

During the year there were on-going discussions at the JNC and the Executive Committee in relation to the Convergence Delivery Plan, the Policy on the Control of Vacancies and Recruitment, Re-deployment and Voluntary Severance Strategy.

Budget 2010/11 Cost Reduction Programme – Voluntary Severance

In November 2010, the Department of Education advised the Education and Library Boards and the Commission that the education budget would be significantly constrained in the period ahead and the Minister believed it would be prudent to develop an accelerated targeted programme of cost reductions in the current year. Funds were made available to support a voluntary severance scheme and the Minister made it clear that *“in shaping budgets for the coming year her priority would be to reduce management and administration costs, seek efficiencies in support services and protect frontline services as much as possible”*. The initial cost reduction programme focused on central management and administration and also professional development and support services.

There were on-going discussions in relation to the implementation of the cost reduction programme and by March 2011, 248 proposals for voluntary severance had been submitted to ESAIT/DE for approval.

- **Job Evaluation**

Job Evaluation continued to be a key feature at both JNC and Executive Committee meetings and on-going discussions related to the implementation of the procedures for Classroom Assistants and other school based staff, the management of appeal hearings, the implementation of the Greater London Provincial Council Scheme, and requests for re-evaluations.

In accordance with its Business Plan the Commission compiled a report on the effectiveness of the negotiating machinery.

2.6 ENSURING ORGANISATIONAL EFFECTIVENESS

Freedom of Information

The Commission has adopted the Model Publication Scheme which was drawn up by the Information Commissioner in January 2009. A guidance document on accessing information is published on the Commission’s website at www.staffcom.org.uk.

Equality

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations. The Staff Commission, in fulfilment of its obligations imposed by the Act and its Equality Scheme, continued to implement a programme of work aimed at mainstreaming equality. A separate Annual Report on the implementation of the Commission’s Section 75 equality duties and its disability

duties for the period 1 April 2010 - 31 March 2011 will be submitted to the Equality Commission for Northern Ireland. It will also be published on the Staff Commission's website at www.staffcom.org.uk.

The Equality Commission has requested, under the Northern Ireland Act 1998, that a revised Equality Scheme be submitted to it by 1 August 2011. At the year's end a revised Scheme had been issued for consultation.

Business Plan

The Commission's Business Plan for the period 1 April 2010 - 31 March 2011 details the Commission's statutory and non-statutory functions, the key targets to be achieved and the measure of progress at quarterly intervals during the reporting year.

The Position Report at 31 March 2011 is available on the Commission's website at www.staffcom.org.uk.

Staff Training and Development

Individual training and development plans are reviewed on an ongoing basis to ensure that staff are provided with the necessary training to develop their knowledge and skills to support the implementation of the Staff Commission's objectives and to prepare for the major change issues associated with the establishment of the Education and Skills Authority.

Working in Partnership

The Staff Commission's commitment to working in partnership is evident throughout this report. Partnership working is fundamental to the successful implementation of the Commission's Corporate Strategy.

The Commission's statutory remit covers the five Education and Library Boards, however, Commission officers continue to work collaboratively with all the education employing authorities in the lead-up to the establishment of ESA.

2.7 FINANCE

Financial and other Systems

In accordance with approved internal audit plans, an audit of Financial Management and Risk Management was carried out by the Southern Education and Library Board Internal Audit Services during February 2011.

The Internal Audit report for 2010/2011 stated that "*there is a sound system of internal control*" and "*the findings represent a Substantial Level of Assurance*".

Statement of Accounts

Under paragraph 6 of Schedule 2 of the Education and Libraries (NI) Order 2003, the Staff Commission for Education and Library Boards is required to prepare a statement of accounts for each financial year in accordance with the Financial Reporting Manual (FRM) issued by the Department of Finance and Personnel (DFP) and in the form and on the basis directed by the Department of Education with the approval of DFP. The accounts are prepared on an accruals basis and must provide a true and fair view of the income and expenditure for the financial year and the balances held at year-end. The statement of accounts is set out at Section 3 of this report.

SECTION 3

MANAGEMENT COMMENTARY FOR THE YEAR ENDING 31 MARCH 2011

1. BACKGROUND INFORMATION

The Staff Commission for Education and Library Boards was established in 1972 under the provisions of Article 70 and Schedule 11 of the Education and Libraries (Northern Ireland) Order 1972 (consolidated as Article 82 and Schedule 15 of the Education and Libraries (Northern Ireland) Order 1986 and as amended by Article 40 and Schedule 2 of the Education and Libraries (Northern Ireland) Order 2003).

The terms of reference of the Commission are to exercise general oversight of matters connected with the recruitment, training and terms and conditions of employment of officers of Boards and to make recommendations to Boards on such matters.

Article 114 of the Order provides that the Department of Education may pay to the Commission grants equal to the approved net expenditure incurred in accordance with financial schemes approved by the Department.

These accounts have been prepared in accordance with paragraph 5(a) of Schedule 15 to the Education and Libraries (Northern Ireland) Order 1986 and in accordance with the Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel (DFP), and accounting and disclosure requirements issued by the Department of Education with the approval of the Department of Finance and Personnel insofar as these are relevant.

Statutory Functions

The functions of the Staff Commission are set out in Schedule 15 of the Education and Libraries (Northern Ireland) Order 1986 (as amended by Schedule 2 of the Education and Libraries (Northern Ireland) Order 2003) as follows: -

- (a) to make recommendations regarding the training of officers of Boards;
- (b) to recommend appointment and promotion procedures for officers of Boards and to establish a Code of Procedure for securing fair and equal consideration of applications to Boards by persons seeking to be employed as officers of Boards and fair and equal treatment of persons who are so employed;
- (c) to establish advisory panels for the purpose of giving advice to Boards on the suitability of applicants for appointment to such offices as the Commission considers appropriate;
- (d) to ensure that suitable machinery exists for negotiating the terms and conditions of employment of all officers of Boards;
- (e) to perform such other functions as are conferred on it by any statutory provision or as the Department of Education may from time to time assign it.

2. BRIEF HISTORY

Business Review

The Business Plan for 2010/11 details the Commission's statutory and non statutory functions, the key targets to be achieved and the measure of progress at quarterly intervals during the reporting year.

Pension Liabilities

Details of how pension liabilities are treated in the accounts are given in the Remuneration Report which follows and notes 1.6, 4(d) and 14 to the accounts.

Results for the Year

The financial results for the year of the Commission are set out in detail on page 26. The net expenditure after notional costs for the year was £353,480, including exceptional voluntary severance costs of £189,812 (2010 £447,727, as restated) after notional debits of £4,500 (2010: £5,391, as restated).

Non-current Assets

Details of the movement of non-current assets are set out in note 8 to the accounts.

The estimated 2010/11 operating costs and income per the Commission's Resource Allocation Plan, compared with the actual operating costs and income in 2010/11 stated prior to the incorporation of depreciation, pension scheme costs and liability, can be summarised as follows:

	Estimated £K	Actual £K	Variance £K
Contribution from Youth Council for Northern Ireland towards shared costs	1	1	0
	-----	-----	-----
Total revenue income	1	1	0
	=====	=====	=====
Staff costs – recurring*	285	285	0
- exceptional voluntary severance	190	190	-
Other operating expenses	82	79	3
	-----	-----	-----
Total revenue expenditure allowing for accruals and prepayments (excluding depreciation, notional costs/ credit and actuarial pension cost)	557	554	3
	=====	=====	=====
Capital expenditure	0	0	0
	=====	=====	=====

* Staff costs includes £1k decrease in untaken paid leave, together with pension cost paid, but not the current service cost as calculated by the actuary.

3. FUTURE DEVELOPMENTS

The Commission will continue to develop its role in promoting good employment and equality practices, particularly in relation to the on-going work associated with the establishment of the Education and Skills Authority.

Future developments include:-

- Contributing to the development of a regional approach to HR policies and procedures;
- Providing support to the Public Service Commission to ensure that “the interests of staff are safeguarded and there is a smooth transfer to new organisations established as a consequence of government decision on the RPA”;
- Developing a revised Equality Scheme, conducting an Audit of Inequalities and developing an Equality Action Plan for the Staff Commission.

4. IMPORTANT EVENTS OCCURRING AFTER THE YEAR END

The Accounting Officer authorised these financial statements for issue on 13 June 2011 and there have been no other significant events since the year end which would affect these accounts.

5. CHARITABLE DONATIONS

During the year the Commission made no donations for charitable or political purposes.

6. COMMISSION MEMBERS

Commission Members are appointed by the Minister and consist of:-

- (a) a Chairperson;
- (b) 2 Chief Executives, and
2 Staff Association Representatives;
- (c) 2 other persons.

The following persons served as Members of the Commission during the financial year 2010/2011:-

- | | |
|---------------------|----------------------------------|
| (a) Prof. B Cullen* | (Contract extended January 2010) |
| (b) Mr D Cargo* | (Contract extended January 2010) |
| Mr B Mulholland* | (Contract extended January 2010) |
| Mr B Graham* | (Contract extended January 2010) |
| Mrs L Kerr* | (Contract extended January 2010) |
| (c) Mrs A Connolly* | (Contract extended January 2010) |
| Mrs U O’Kane* | (Contract extended January 2010) |

* Approval was granted to extend the term of office for these Commission Members for the transitional period until ESA is established.

7. PEOPLE WITH DISABILITIES

The Commission actively encourages applications for employment from disabled persons where the requirements of the job may be adequately performed by a disabled person.

Where existing employees become disabled it is the Commission's policy, wherever possible, to provide continuous employment under normal terms and conditions and to provide training and career development and promotion where appropriate.

The Commission aims to adopt a positive and coherent equal opportunity strategy which influences its wider community involvement having particular regard to people with disabilities.

8. PAYMENT TO SUPPLIERS

Public Sector Payment Policy – Measure of Compliance

The Government requires that the Commission pays its trade creditors in accordance with the Better Payment Practice Code and Managing Public Money Northern Ireland.

The Commission's payment policy is consistent with the Better Payment Practice Code and Managing Public Money Northern Ireland. Following communication from the Department of Education in December 2008, the target for payment of all invoices has been revised to 10 days of the receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later, unless otherwise stated in the contract.

During the year ending 31 March 2011 100% (2010:100%) of bills were paid within this standard.

9. EMPLOYEE INVOLVEMENT

Meetings of the Commission staff are held on a regular basis and include briefings on Commission business and future developments.

10. COMPANY DIRECTORSHIPS AND OTHER SIGNIFICANT INTERESTS

A register of members' interests is available and can be inspected on application to the Commission Secretary's office.

11. AUDITORS DETAILS

The Principal Auditor is the Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU.

	2011	2010
	£	£
COST OF EXTERNAL AUDIT		
Audit Services (notional cost)	4,500	5,391

The services provided relate to the statutory audit of the financial statements. There were no non-audit services provided by the Principal Auditor.

The Commission Secretary, as Accounting Officer, has taken steps to make herself aware of all relevant audit information and to establish that the Commission's auditors are aware of that information.

Insofar as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

12. HEALTH AND SAFETY

The Commission is committed to adhering to all existing legislation on Health and Safety at work to ensure that staff and visitors enjoy the benefits of a safe environment.

13. SUSTAINABILITY REPORT

Due to the nature and size of the Staff Commission, there is limited scope to promote sustainability in comparison with larger NDPBs such as the Education and Library Boards.

The key activity which the Staff Commission contributes to sustainability is through Recycling, for example:

Paper - the majority of waste paper is shredded and recycled through a centralised arrangement for the offices in Forestview. This facility was initiated by Commission staff.

Printer Cartridges and Water Containers - After use these are returned to the manufacturers for recycling.

14. PERSONAL DATA

With regard to managing information risks, the risk register details the controls in place and the action taken by the Commission in relation to the security of data. There were no personal data related incidents during the 2010/11 financial year.

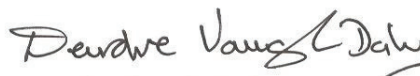
15. SICKNESS ABSENCE

	<u>2010/11</u>	<u>2009/10</u>
Days of sickness absence	<u>37.5</u>	<u>25</u>

This equates to 5 days per employee (FTE) for 2010/11 (2009/10: 4 days).



Prof. B Cullen
Chairperson



Mrs D Vaughn Daly
Commission Secretary

6 June 2011
Date

REMUNERATION REPORT FOR THE YEAR ENDING 31 MARCH 2011

The Commission does not have a Remuneration Committee and, other than the Chairperson, the Commission members do not receive emoluments.

The Chairperson of the Commission is paid by the Commission for his duties as Chairperson at a rate and on such conditions as determined by the Department of Education with the approval of the Department of Finance and Personnel. Commission members also receive travelling and subsistence allowances for expenditure incurred, at such rates and on such conditions as determined by the Commission, subject to the approval of the Department of Education.

The remuneration of the Chief Executive is in accordance with salary scales agreed by the Joint Negotiating Council for Education and Library Boards. While the remuneration is not based on a performance related pay scheme, performance is assessed through Commission meetings and reporting meetings with the Commission Chairperson.

Service Contracts

Officer appointments are in accordance with the Joint Negotiating Council for the Education and Library Boards (JNC) terms and conditions and, in particular, are in accordance with the Staff Commission for Education and Library Boards' Code of Procedures on Recruitment and Selection.

Unless otherwise stated below, the officers covered by this report hold appointments which are open ended until they reach retiring age¹. The normal period of notice is 3 months. Policy on termination payments in relation to premature retirement are in accordance with the Local Government Regulations and the Statutory Redundancy provisions.

Commission members, including the Chairperson, are appointed by the Minister, normally for a four-year period, co-terminous with the Education and Library Boards.

The term of office for each Commission member who served during the year is as follows:-

Commission Members	Date of Contract	Unexpired Term	Notice Period
Prof B Cullen	Contract extended January 2010	*	None
Mr D Cargo	Contract extended January 2010	*	None
Mr B Mulholland	Contract extended January 2010	*	None
Mr B Graham	Contract extended January 2010	*	None
Mrs L Kerr	Contract extended January 2010	*	None
Mrs U O'Kane	Contract extended January 2010	*	None
Mrs A Connolly	Contract extended January 2010	*	None

* Approval was granted to extend the term of office for these Commission Members for the transitional period until the Education and Skills Authority is established.

¹ In 2011, appropriate amendments will be made to contracts of employment to facilitate the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011.

Chief Executive

Mrs P Weir

Open-ended contract

3 months

Note: Mrs Weir will retire as Chief Executive with effect from 31 May 2011 and Mrs D Vaughn Daly will take on the role of Commission Secretary, with Accounting Officer responsibilities, with effect from 1 June 2011 (see note 4(c), page 34).

Emoluments of Senior Postholders and Commission Members (Audited)

Name	Salary Inc Allowance 2010/11 £000s	Salary Inc Allowance 2009/10 £000s	Total Accrued Pension and Lump Sum £000s	Real Increase/ (Decrease) In Pension and Lump Sum £000s	CETV @ 31/03/10 £000s	CETV @ 31/03/11 £000s	Real Increase/ (Decrease) In CETV £000s
Mrs P Weir <i>see note (a) below</i>	55 - 60	55 - 60	25 - 30 Plus lump sum of 75 - 80	0 - 2.5 Plus lump sum of (0 - 2.5)	594	577	(37)
Mr P Robinson	45 - 50	45 - 50	20 - 25 Plus lump sum of 60 - 65	0 - 2.5 Plus lump sum of (0 - 2.5)	501	493	(24)
Mrs D Vaughn Daly*	25 - 30	25 - 30	10 - 15 Plus lump sum of 30 - 35	0 - 2.5 Plus lump sum of (0 - 2.5)	239	231	(15)
* Mrs D Vaughn Daly works part-time, 20 hours per week							

The inflation rate used in this year's calculation is 3.10% (2010: 0%).

Notes:

- a** The above emoluments in respect of Mrs P Weir exclude the voluntary severance costs agreed with her in March 2011 – see note 4(c) to the financial statements for details of the exit package.
- b** There have been changes to the factors used to calculate CETVs in 2010/11. These effectively reduce the value of CETVs, thereby explaining the decreases arising during the year.
- c** Pending the outcome of a government review of the discount rate used to calculate CETVs, it should be noted that the above CETV figures may be subject to further change.
- d** No benefits-in-kind were received.
- e** For the above members of the NILGOSC Pension Scheme, a lump sum equal to three times the accrued pension at 31st March 2011 is also payable on retirement.

Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme arrangements

The Commission's senior post holders belong to the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme.

The NILGOSC Scheme is of the defined benefits type, the assets of the schemes being held in separate trustee-administered funds.

The Commission's contribution to the Northern Ireland Local Government Pension Fund is determined by the fund's actuary based on a triennial Valuation.

The scheme is administered by NILGOSC, Holywood Road, Belfast.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

The most up to date actuarial valuation of the Scheme was carried out as at 31 March 2010, details of which are available in the Northern Ireland Local Government Officers' Pension Fund Accounts.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

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

No awards were made, or other compensation was payable during the year to past senior managers.

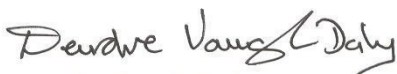
Commission Members (Audited)

The total emoluments excluding social security cost (incl. Honoraria) of the Chairperson were £6,501 (2010: £6,501). The remaining 6 (2010:11) Commission members do not receive emoluments.

Apart from the voluntary severance costs referred to above and in the financial statements, there were no other payments for compensation for loss of office or benefits-in-kind paid to Commission members or senior management during the year ended 31st March 2011 (2010: £nil).

No element of the remuneration package for the Chairperson or senior management is not cash.

No amounts were payable to third parties for services of Commission members or the Chief Executive during the year.



Mrs D Vaughn Daly
Commission Secretary

6 June 2011
Date

STATEMENT OF STAFF COMMISSION'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES:

Under Paragraph 6(2) of Schedule 2 of the Education and Libraries (NI) Order 2003, the Staff Commission for Education and Library Boards is required to prepare a statement of accounts in respect of each financial year in such form and containing such information as the Department, with the approval of the Department of Finance and Personnel, may direct.

The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's state of affairs at the year-end and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts the Commission is required to:-

- observe the Accounts Direction issued by the Departments including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Commission will continue in operation.

As the senior full time official of the Staff Commission for Education and Library Boards for N.I., the Chief Executive carries the responsibilities of an Accounting Officer for the Commission. Her relevant responsibilities as Accounting Officer, including her responsibility for the propriety and regularity of the public finances for which the Chief Executive is answerable, for keeping proper records and for safeguarding the Staff Commission's assets are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Department of Finance and Personnel.

STATEMENT ON INTERNAL CONTROL

1. **Scope of Responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Commission policies, aims and objectives, set by the Commission, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

2. **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Commission policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts and accords with DFP guidance.

3. **Capacity to Handle Risk**

The Deputy Secretary is the Risk Management Co-ordinator for the Commission and works with all staff in the implementation and review of the strategy.

Risk Management is a key agenda item at staff meetings where all staff are encouraged to contribute to the risk management process.

4. **The Risk and Control Framework**

We have carried out appropriate procedures to ensure that we have identified the Commission's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership has been allocated to the appropriate staff and the Commission has set out its attitude to risk to the achievement of the Commission's objectives.

With regard to managing information risks, the Risk Register details the controls in place and the action taken by the Commission in relation to the security of data. In November 2010, the Commission completed a third self-assessment exercise for the Data Protection Review. DFP and DE have confirmed that, overall, our data security is in a "managed state" i.e. *'Formal documented policies and procedures in place, supported by well designed practices which generally operate effectively'*. There were no personal data related incidents during the 2010/11 financial year.

The Commission has ensured that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. A Risk Register has been developed and arrangements have been made for this to be regularly reviewed and updated. Risk management has been incorporated more fully into the corporate planning and decision making processes of the Commission.

The Commission, through its Audit Committee, receives periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and monitor progress on key projects.

The Internal Audit report for 2010/2011 stated that “*there is a sound system of internal control*” and “*the findings represent a Substantial level of Assurance*”.

Audit noted that the Risk Register had been reviewed and updated when considered necessary during the 2010/2011 year.

5. Establishment of Education and Skills Authority (ESA)

On the 1 December 2009 the Education Minister confirmed that, due to a delay in progressing the first Education Bill, ESA would not be established by 1 January 2010 and that transitional governance and management arrangements would be implemented from January 2010 to ensure that the convergence continues and planned efficiency savings are achieved. Commission staff engaged with the ESA Implementation Team in relation to the Convergence Delivery Plan during the 2010/11 year.

The continuing delay and uncertainty associated with progressing the legislation to establish ESA and the on-going lack of clarity in relation to the implementation of the Convergence Delivery Plan continue to have a negative impact on staff morale.

6. Budget 2010/11 Cost Reduction Programme – Voluntary Severance

In November 2010, the Department of Education advised the Commission that the education budget would be significantly constrained in the period ahead and the Minister believed it would be prudent to develop an accelerated targeted programme of cost reductions in the current year. Funds were made available to support a voluntary severance scheme and the Minister made it clear that “*in shaping budgets for the coming year her priority would be to reduce management and administration costs, seek efficiencies in support services and protect frontline services as much as possible*”. The initial cost reduction programme focused on central management and administration and also professional development and support services.

The Commission was asked to bring forward proposals for cost reductions and release of staff. Expressions of interest in voluntary severance were submitted by the three members of the Commission’s Senior Management Team. In January 2011 a business case was forwarded to the Department proposing voluntary severance for the Chief Executive/Secretary on grounds of redundancy.

On 30 March 2011 approval was granted by the Department for the Chief Executive/Secretary to be granted voluntary severance with effect from 31 May 2011.

The Risk Register has been updated to reflect the risks identified in the release of the Chief Executive/Secretary under voluntary severance.

7. 2011/12 Budget Allocation

On 30 March 2011, the Department advised the Commission of the Resource Allocation for 2011/12 financial year. The Recurrent Allocation for 2011/12 is £346,000 on an accruals basis and represents net savings of £45,000 in relation to the Commission’s contribution to the Savings Delivery Plan target for Management and Administrative savings.

8. Review of Effectiveness

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Deputy Secretary, who has responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the systems of internal control by the Commission and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.



Mrs D Vaugh Daly
Commission Secretary

6 June 2011

Date

STAFF COMMISSION FOR EDUCATION AND LIBRARY BOARDS

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Staff Commission for Education and Library Boards for the year ended 31 March 2011 under the Education and Libraries (Northern Ireland) Order 2003. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of the Commission's and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Education and Libraries (NI) Order 2003. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Staff Commission for Education and Library Boards' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Staff Commission for Education and Library Boards; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Staff Commission for Education and Library Boards' affairs as at 31 March 2011 and of its net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and

- the financial statements have been properly prepared in accordance the Education and Libraries (Northern Ireland) Order 2003 and Department of Education directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Education directions issued under by the Education and Libraries (Northern Ireland) 2003; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 IEU

13 June 2011

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**STATEMENT OF COMPREHENSIVE NET EXPENDITURE
FOR YEAR ENDING 31 MARCH 2011**

		2011	2010
		£	(as restated) £
	Notes		
Expenditure			
Staff costs – recurring	4	55,967	321,517
Staff costs – voluntary severance	4	189,812	-
Staff costs - total	4	<u>245,779</u>	<u>321,517</u>
Depreciation	5	1,761	1,191
Other expenditure	5	79,360	93,172
Finance charge re pension scheme	14(ii)	23,000	32,000
		<u>349,900</u>	<u>447,880</u>
Income			
Miscellaneous operating income	3	920	5,544
		<u>920</u>	<u>5,544</u>
Net Expenditure		<u>348,980</u>	<u>442,336</u>
Notional costs	5	4,500	5,391
Net expenditure after notional costs		<u>353,480</u>	<u>447,727</u>
Other comprehensive net expenditure		-	-
Total Comprehensive Expenditure for the year		<u><u>353,480</u></u>	<u><u>447,727</u></u>

All amounts above relate to continuing activities.

The notes on pages 30 to 41 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011**

	Notes	2011	2010
		£	£
Non-current assets			
Property, plant and equipment	8	2,858	4,619
Current Assets			
Trade and other receivables	9	1,508	3,699
Cash and cash equivalents	10	280	1,061
Total current assets		<u>1,788</u>	<u>4,760</u>
Total assets		4,646	9,379
Current liabilities			
Trade and other payables	11	202,806	15,019
Total assets less current liabilities		<u>(198,160)</u>	<u>(5,640)</u>
		=====	=====
Non-current liabilities			
Pension liability	14(i)	(199,000)	(1,085,000)
Assets less liabilities		<u>(397,160)</u>	<u>(1,090,640)</u>
		=====	=====
Taxpayers' equity (deficiency)			
General Reserve		<u>(397,160)</u>	<u>(1,090,640)</u>
		=====	=====

The financial statements on pages 30 to 41 were approved and authorised for issue by the Commission on 13 June 2011 and signed on its behalf by:



Prof. B Cullen
Chairperson



Mrs D Vaughn Daly
Commission Secretary

6 June 2011
Date

The notes on pages 30 to 41 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**STATEMENT OF CASHFLOWS FOR THE YEAR ENDING 31 MARCH 2011**

	Notes	2011 £	2010 (as restated) £
Cash flows from operating activities			
Net expenditure		(353,480)	(447,727)
Adjustment for non-cash items	5	6,261	6,582
Decrease in trade and other receivables		2,191	798
Increase/(decrease) in trade payables excluding capital creditors		187,787	(108)
(Decrease)/Increase in pension liability		(886,000)	698,000
Actuarial gain/(loss) in respect of the pension scheme		680,000	(642,000)
Net cash outflow from operating activities		(363,241)	(384,455)
Cash flows from investing activities			
Purchase of property, plant and equipment £3,000 per individual asset		–	(3,971)
Net cash outflow from investing activities		–	(3,971)
Cash flows from financing activities			
Financing – grant drawn down from Department of Education			
- Recurrent Grant		362,460	381,234
- Capital Funding		–	3,971
Net Financing	2	362,460	385,205
Net decrease in cash and cash equivalents in the period	10	(781)	(3,221)
Cash and cash equivalents at the beginning of the period	10	1,061	4,282
Cash and cash equivalents at the end of the period	10	280	1,061

The notes on pages 30 to 41 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2011**

Balance at 31st March 2009	(391,509)
Changes in Taxpayers' Equity for 2009-2010 (as restated)	
Net operating expenditure	(447,727)
Non-cash charge	5,391
Actuarial loss in respect of the pension scheme	(642,000)
Total recognised income & expense for 2009-2010	(1,475,845)
Grant from Department of Education drawn down in 2009/2010 – see note 2	385,205
Balance as at 31st March 2010	(1,090,640)
Balance at 1st April 2010	
Changes in Taxpayers' Equity for 2010-2011	
Net operating expenditure	(353,480)
Non-cash charge	4,500
Actuarial gain in respect of the pension scheme	680,000
Total recognised income & expense for 2010-2011	(759,620)
Grant from Department of Education drawn down in 2010/2011 – see note 2	362,460
Balance as at 31st March 2011	(397,160)

The general reserve serves as the chief operating fund. The general reserve is to be used to account for all financial resources except those required to be accounted for in another fund.

The notes on pages 30 to 41 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

1.(a) STATEMENT OF ACCOUNTING POLICIES

The financial statements comply with the Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel and accounting and disclosure requirements issued by the Department of Education with the approval of the Department of Finance and Personnel, insofar as those requirements are appropriate. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Staff Commission for Education and Library Boards for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Staff Commission for Education and Library Boards are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.(b) PRIOR YEAR ADJUSTMENT IN RESPECT OF COST OF CAPITAL CHARGE

The removal of the requirement in the Financial Reporting Manual to record notional cost of capital is deemed to be a change in accounting policy. As such, for comparison purposes, the prior year figures have been restated to exclude the prior year notional cost of capital credit of £25,938.

The effect of this change in accounting policy is to increase the prior year Net Expenditure after notional costs from £421,789 to £447,727

This adjustment does not impact on the General Reserve figure carried forward as at 31 March 2010.

As the prior year adjustment does not affect the Statement of Financial Position, it has not been necessary to re-state the comparative figures on the Statement; therefore it has not been necessary to provide two sets of comparative figures as is normally required under IAS 8.

1.1 Accounting Convention

These financial statements are presented in £sterling and are rounded to the nearest pound.

The financial statements have been prepared in accordance with the historical cost convention. In view of the immaterial amounts involved, assets are not subject to revaluation but are disclosed at historic cost.

1.2 Recognition of Income

The final approved resource allocations (recurrent) from the Department of Education are credited direct to the General Fund reserve on a cash draw-down basis.

The annual recurrent allocations from the Department of Education are intended to meet recurrent costs.

Income from other grants received for a specific purpose, that is restricted income, is included in the operating cost statement to the extent of matching the relevant expenditure incurred in the period. Restricted income received but not matched to relevant expenditure during the period is shown as deferred income on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

Income from services rendered is included to the extent of the completion of the contract or service concerned.

1.3 Taxation

The Commission is exempt from corporation tax on income it receives. Items in the operating cost statement are inclusive of V.A.T. where relevant.

1.4 Property, plant and equipment

Items of property, plant and equipment costing in excess of £3,000 per individual item, which are held for use on a continuing basis in delivering the Commission's activities, and which yield a benefit of more than one year, are treated as capital expenditure in the accounts. On initial recognition assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. This excludes expenditure on repairs and maintenance of property plant and equipment, which only maintains the value of asset.

1.4.1 Assets other than Land and Buildings

Assets other than land and buildings costing less than £3,000 per individual item are written off to the operating cost statement in the period of acquisition. In view of the immaterial amounts involved, assets are not subject to revaluation but are disclosed at historic cost.

1.4.2 Depreciation

Depreciation is provided for on all property, plant and equipment with a finite useful life, by allocating the cost less estimated residual value of the assets as fairly as possible to the periods expected to benefit from their use. Useful lives are estimated on a realistic basis, reviewed regularly and revised where appropriate.

All assets are depreciated on a straight line basis over their expected useful lives. A full month's depreciation is charged in the period of acquisition/commissioning and no depreciation is charged in the month of disposal.

Capitalised assets are depreciated over their useful economic lives as follows:-

Asset Class	Asset Sub-Class	Asset Life
Computers	Hardware and Software	3 years
Fixtures and Fittings	Office Furniture and Fixtures	7 to 10 years

Where these assets are acquired with the aid of specific grants the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a government grant reserve and released to the General Reserve over the useful economic life of the related asset.

1.5 Inventory

There is no material inventory held by the Commission.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

1.6 Pension Scheme

The Commission's employees belong to the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) Scheme. The NILGOSC Scheme is of the defined benefits type; the assets of the schemes being held in separate trustee-administered funds.

The Commission's contribution to the Northern Ireland Local Government Pension Fund is determined by the fund's actuary based on a triennial Valuation. The scheme is administered by NILGOSC, Hollywood Road, Belfast.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

The Government announced in the Emergency Budget on 22 June 2010 that future pension increases in the public sector pension schemes will be linked to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). Traditionally the actuarial method of calculating the NILGOSC scheme liability used the RPI. The change to CPI, which is traditionally lower than RPI, is regarded as a change in benefit and has been treated in the accounts as a past service credit in the current year, however it is not practicable to show separately the effect of this change in accounting estimate.

1.7 Reserves

The General Reserve balance represents the deficit of revenue expenditure over income together with any Pension Scheme actuarial gains or losses and grant-in-aid from the Department of Education which is credited directly to the General Reserve.

1.8 Staff Costs

Under IAS 19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end.

1.9 Operating Segments

The Senior Management Team considers the Staff Commission as one operating unit in making decisions. Management information is generated on a holistic basis for the whole organisation.

1.10 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2011

The Staff Commission has reviewed the remaining standards, interpretations and amendments to published standards that became effective during 2010-11 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the Staff Commission's financial position or results.

1.11 Accounting standards, interpretations and amendments to published standards not yet effective

The Staff Commission has considered the additional or revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2011-12. The Staff Commission considers that these changes are not relevant to operations.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Staff Commission's accounting periods beginning on or after 1 April 2011 or later periods, but which the Staff Commission has not adopted early. The Staff Commission considers that these standards are not relevant to its operations.

**2. GRANT FROM DEPARTMENT
DEPARTMENT OF EDUCATION FOR NORTHERN IRELAND**

	2011	2010
	£	£
Recurrent Grant		
RfR A grant-in-aid	362,460	381,234
Capital Grant-in-Aid		
Capital grant-in-aid used for purchase of tangible fixed assets	-	3,971
Total grant credited to General Fund	362,460	385,205

The total amount of grant drawn down and accounted for by the Commission is in accordance with the resources allocated by the Department of Education.

3. OTHER INCOME

	2011	2010
	£	£
N.I. Youth Council	920	5,544
Total other income	920	5,544

4. STAFF COSTS

(a) Other than the Chairperson whose details are given in the Remuneration Report on page 17, the average number of persons employed by the Commission during the year and staff costs are as follows:-

	2011	2010
	Number	Number
Professional/Administrative	6	6
Manual – Domestic	*	1
Total	6	7

* The Domestic Assistant retired in May 2010, with cleaning services since that date being provided by a cleaning company.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

(b) The staff costs incurred in respect of the above staff and the Chairperson were:-

	2011 £	2010 £
<i>Professional/Administrative</i>		
Wages & salaries	227,591	232,623
Social security costs	17,794	18,252
	<u>245,385</u>	<u>250,875</u>
<i>Manual – Domestic</i>		
Wages & salaries	1,511	9,196
Social security costs	71	446
	<u>1,582</u>	<u>9,642</u>
	246,967	260,517
Pension costs – current service (gain)/cost as calculated by the scheme actuary	(191,000)	61,000
	<u>55,967</u>	<u>321,517</u>
Total staff costs - recurring	55,967	321,517
Exceptional voluntary severance cost	189,812	-
	<u>245,779</u>	<u>321,517</u>
Total staff costs	245,779	321,517

(c) Voluntary Severance Costs

In March 2011 the Commission and the Department of Education approved the Chief Executive/Commission Secretary's application for voluntary severance in response to the Commission's request for volunteers. The total cost of £189,812 in respect of this severance has been charged and provided for in these accounts.

The Department of Education has confirmed that the cost of the severance payment will be paid in full as additional grant-in-aid.

(d) Pension Costs

The Commission provides retirement benefits to its employees through participation in the Northern Ireland Local Government Officers' Pension Fund. This is a defined benefit scheme which produces its own accounts.

The most up to date actuarial valuation of the Scheme was carried out as at 31 March 2010, details of which are available in the Northern Ireland Local Government Officers' Pension Fund Accounts.

For 2010/2011, employer's contributions of £37,885 (2009/2010: £37,611) were payable to the Scheme at 17% (2009/2010: 16%) of pensionable salary.

Further details of pension scheme costs and obligations as accounted for under IAS 19 are given in note 14 below.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**5. OTHER EXPENDITURE (Including VAT, where relevant)**

	2011	2010
		(as restated)
Cash items	£	£
Rent, rates and insurance	33,620	33,414
Service charge, electricity, cleaning, eye tests/advert'g	13,302	12,142
Travel & subsistence - Officers	4,450	4,564
- Members	154	761
Hospitality	1,712	1,877
Conferences, courses and training	1,146	5,708
Maintenance and repairs	2,828	851
Printing, stationery and office requisites	6,671	6,547
Telephone and postage	4,542	5,503
Miscellaneous	2,158	2,652
IAS 19 fees	521	1,060
Internal audit services	2,400	3,525
Accountancy services - current year	3,800	7,854
Accountancy services - prior year	2,056	-
Capital expenditure of less than £3,000 per asset	-	4,988
Maintenance contract	-	1,001
Consultancy and research	-	725
Total other cash expenditure	79,360	93,172
Non-cash items		
Depreciation	1,761	1,191
Notional cost		
External auditors' remuneration	4,500	5,391
Total net non-cash items	6,261	6,582
Total	85,621	99,754

Other expenditure above includes:-

	2011	2010
	£	£
Operating leases - hire of machinery	2,023	1,901
Operating leases - property	22,229	22,250
	<u>24,252</u>	<u>24,151</u>

6. INTRA GOVERNMENT BALANCES

As a minor body, the Commission is exempt from the requirements of the Whole of Government accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**7. INTEREST PAYABLE**

The Commission did not pay any interest during the year.

8. PROPERTY, PLANT AND EQUIPMENT

2010-2011	Computers	Fixtures & Fittings	TOTAL
Cost	£	£	£
At 1 April 2010 and 31 March 2011	18,355	6,238	24,593
Depreciation			
At 1 April 2010	13,932	6,042	19,974
Charge for period	1,655	106	1,761
At 31 March 2011	15,587	6,148	21,735
Net Book Value at 31 March 2011	2,768	90	2,858
Net Book Value at 31 March 2010	4,423	196	4,619

The Commission owns all the above assets. Should fixed assets be sold, proceeds from the sale can only be retained with the approval of the Department and otherwise must be surrendered to the Department of Education.

2009-2010	Computers	Fixtures & Fittings	TOTAL
Cost	£	£	£
At 1 April 2009	25,510	6,238	31,748
Disposals	(11,126)	-	(11,126)
Additions (assets over £3,000)	3,971	-	3,971
At 31 March 2010	18,355	6,238	24,593
Depreciation			
At 1 April 2009	23,985	5,924	29,909
Eliminated on disposal	(11,126)	-	(11,126)
Charge for period	1,073	118	1,191
At 31 March 2010	13,932	6,042	19,974
Net Book Value at 31 March 2010	4,423	196	4,619
Net Book Value at 31 March 2009	1,525	314	1,839

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

	2011	2010
	£	£
Amounts falling due within one year:		
Prepayments and accrued Income	1,508	3,699
	<u>1,508</u>	<u>3,699</u>
	=====	=====

10. CASH AND CASH EQUIVALENTS

	2011	2010
	Total	Total
	£	£
Balance at 1 April	1,061	4,282
Net change in cash and cash equivalent balances	(781)	(3,221)
	<u>280</u>	<u>1,061</u>
Balance at 31 March	280	1,061
The following balances at 31 March were held at:		
Commercial banks and cash in hand	<u>280</u>	<u>1,061</u>
Balance at 31 March	<u>280</u>	<u>1,061</u>

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2011	2010
	£	£
Amounts falling due within one year:		
Accruals and deferred income	12,994	15,019
Voluntary severance costs payable	189,812	-
	<u>202,806</u>	<u>15,019</u>
	=====	=====

12. RELATED PARTY TRANSACTIONS

The Staff Commission for Education and Library Boards is a Non-Departmental Public Body sponsored by the Department of Education (DE). DE is regarded as a related party. During the year, the Commission has had various material transactions with DE and with other entities for which the Department of Education is regarded as the parent Department. These include:-

- the Belfast Education and Library Board;
- the North Eastern Education and Library Board;
- the South Eastern Education and Library Board;

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

- the Southern Education and Library Board;
- the Western Education and Library Board.

During the year, none of the Commission members or members of the senior management team have undertaken any material transactions with the Commission. The information contained in the accounts of the Staff Commission relevant to the Department of Education is included in the Resource Accounts of the Department of Education, which are published separately.

13. COMMITMENTS UNDER LEASES

	2011 £	2010 £
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Obligations under operating leases comprise:		
Land and buildings:		
In respect of an operating property lease expiring on 31 March 2010*, with a break option at April 2007, which was not exercised	18,000 =====	11,125 =====
Office Equipment:		
- not later than one year **	556 =====	670 =====

* In April 2005 the property operating lease, which expired on 31 March 2005, was renegotiated for a five year period to 31 March 2010 at an annual rental of £22,250 with a break option at April 2007, which was not exercised.

Due to the uncertainty regarding the establishment of the Education and Skills authority and the future of the Commission, an application was made in March 2011 to extend the property operating lease to 31st December 2011. The rental charge is £24,000 p.a. and accordingly the property lease obligation at the year end has been deemed to be £18,000. The situation will be reviewed at the end of September.

** Both the Postage Equipment and Photocopier operating leases expired in July/August 2008. It was planned that ESA would be established on 1 January 2010 and the Commission dissolved on 31 December 2009. Following a delay in the establishment of ESA which was planned for 1 January 2010, the decision was made to extend the leases and it has been agreed with lessors that these equipment operating leases will be reviewed on a quarterly basis, giving an obligation at the year end under these leases of just one quarter.

The Commission does not have any finance leases.

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**14. EMPLOYEE BENEFIT OBLIGATIONS**

(i) The amounts recognised in the Statement of Financial Position are as follows:-

	31.03.11	31.03.10
	£	£
Fair value of employer assets	1,919,000	1,593,000
Present value of funded liabilities	(2,118,000)	(2,678,000)
Net underfunding in funded plan	(199,000)	(1,085,000)
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	(199,000)	(1,085,000)
	=====	=====

(ii) The amounts recognised in the Statement of Comprehensive Net Expenditure are as follows:-

	31.03.11		31.03.10	
	£	% of payroll	£	% of payroll
Current service cost	57,000	25.5%	34,000	14.7%
Interest cost	139,000	62.1%	104,000	44.6%
Expected return on employer assets	(116,000)	(51.8%)	(72,000)	(30.9%)
Finance Charge	23,000		32,000	
Past Service (gain)/cost	(248,000)		27,000	
	(168,000)	74.9%	93,000	40%
Actual return on plan assets	159,000		(461,000)	
	=====		=====	

(iii) Reconciliation of deferred benefit obligation

	31.03.11	31.03.10
	£	£
Opening deferred benefit obligation	2,678,000	1,473,000
Current service cost	57,000	34,000
Interest cost	139,000	104,000
Contributions by members	15,000	16,000
Actuarial (gains)/losses	(517,000)	1,032,000
Past service (gains)/costs	(248,000)	27,000
Benefits paid	(6,000)	(8,000)
Closing deferred benefit obligation	2,118,000	2,678,000
	=====	=====

The Government announced in the Emergency Budget on 22 June 2010 that future pension increases in the public sector pension schemes will be linked to the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). Traditionally the actuarial method of calculating the NILGOSC scheme liability used the RPI. The change to CPI, which is traditionally lower than RPI, is regarded as a change in benefit and has been treated in the accounts as a past service credit in the current

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011

year, however it is not practicable to show separately the effect of this change in accounting estimate.

(iv) Reconciliation of fair value of employer assets

	31.03.11	31.03.10
	£	£
Opening fair value of employer assets	1,593,000	1,086,000
Expected return on assets	116,000	72,000
Contributions by members	15,000	16,000
Contributions by the employer	38,000	37,000
Actuarial gains	163,000	390,000
Benefits paid	(6,000)	(8,000)
Closing fair value of employer assets	<u>1,919,000</u>	<u>1,593,000</u>
	=====	=====

(v) Amount recognised in Statement of Changes in Taxpayers' Equity

	31.03.11	31.03.10
	£	£
Actuarial (gains) losses	680,000	(642,000)
	=====	=====
Cumulative actuarial (losses) gains	(190,000)	(870,000)
	=====	=====

(vi) The major categories of scheme assets as a percentage of total scheme assets are as follows:-

	31.03.11		31.03.10	
	£	%	£	%
Equities	1,477,000	77%	1,226,000	77%
Bonds	269,000	14%	223,000	14%
Property	115,000	6%	96,000	6%
Cash	<u>58,000</u>	<u>3%</u>	<u>48,000</u>	<u>3%</u>
	<u>1,919,000</u>	<u>100%</u>	<u>1,593,000</u>	<u>100%</u>
	=====	=====	=====	=====

(vii) The principal actuarial assumptions used were:-

	31.03.11	31.03.10
	% pa	% pa
Price increase rate	2.8%	3.8%
Salary increase rate	5.1%	5.3%
Expected return on assets	6.9%	7.2%
Discount rate	5.5%	5.5%

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2011**(viii) Amounts for the current and previous four periods are as follows:-**

	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
	£	£	£	£	£
Fair value of employer assets	1,919,000	1,593,000	1,086,000	1,367,000	1,402,000
Asset value of deferred benefit obligation	(2,118,000)	(2,678,000)	(1,473,000)	(1,491,000)	(1,795,000)
(Deficit) /surplus	<u>(199,000)</u>	<u>(1,085,000)</u>	<u>(387,000)</u>	<u>(124,000)</u>	<u>(393,000)</u>
Experience gains (losses) on assets	163,000	390,000	(425,000)	(162,000)	(16,000)
Experience gains (losses) on liabilities	236,000	-	-	120,000	(1,000)

15. FINANCIAL INSTRUMENTS

As the cash requirements of the Staff Commission for Education and Library Boards are met through grant-in-aid provided by the Department of Education, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Commission's expected purchase and usage requirements and the Commission is therefore exposed to little credit, liquidity or market risk.

Liquidity Risk

The Commission's net revenue resource and capital expenditure requirements are largely financed by grants from its sponsoring department. The Commission is not, therefore, exposed to significant liquidity risks.

Interest Rate Risk

The Commission's financial assets and liabilities do not carry interest. The Commission is not, therefore, exposed to significant interest rate risk.

Foreign Currency Risk

The Commission's exposure to foreign currency risk is not significant. Foreign currency income and expenditure are negligible.

16. EVENTS AFTER THE REPORTING PERIOD

The Accounting Officer authorised these financial statements for issue on 13 June 2011 and there have been no other significant events since the year end which would affect these accounts.

17. FINANCIAL TARGET

The Commission's only financial target for 2010-2011 was to contain expenditure within the resource allocation approved by the Department and this objective was achieved. The exceptional voluntary severance cost, as detailed in note 4, is being covered by additional grant-in-aid payable by the Department of Education.



Published by Corporate Document Services and available from:

CDS Belfast
4c Heron Wharf
Sydenham Business Park
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CDS 60686

ISBN 978-1-908523-02-0



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