

**Staff Commission for Education and Library Boards
Annual Report and Accounts
For the year ended 31st March 2008**

*Laid before the Northern Ireland Assembly under Article 38(2)
of the Education and Libraries (Northern Ireland) Order 2003
by the Department of Education*

4 July 2008

*Ordered by the Northern Ireland Assembly to be printed
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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 2007/08, which includes a brief account by our Chief Executive Patricia Weir of another highly 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 all 49 Key Performance Indicators established for the Commission for the year under review were achieved in full. This represents a consistently excellent achievement and the Commission staff deserve our warm congratulations.

Much of the Commission's activity continues to involve the industrial relations work required to ensure that suitable machinery exists (and works) for negotiating the terms and conditions of employment of all officers of the Education and Library Boards. This indispensable work goes on constantly in the background and is summarised in section 2.4 below.

However, the work of the Commission has continued to be heavily influenced by the transition to the planned establishment, on 1 April 2009, of the Education and Skills Authority and the Northern Ireland Library Authority (see section 2.1). In this connection, I am a member of the Department of Education's RPA Chairpersons' Forum, which has met regularly, in a variety of locations around the Province, and is chaired by the Education Minister. The Staff Commission is committed to providing professional advice and guidance to all the relevant education employers on human resource and equality matters connected with the change process; and Commission staff have been working closely with the ESA and NILA Implementation Teams on a wide range of issues in the lead-up to the change-over. In particular, there has been significant input to the gathering and analysing of information relating to the terms and conditions of service for the 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 in both ESA and NILA, as well as identifying harmonisation and protection issues for existing staff.

The Commission's brief in the area of Equality has also been significantly expanded as we prepare for the change-over, and our wide range of involvement is summarised in sections 2.1 and 2.2. Much of this extensive work will not bear fruit until after the new employing bodies have been established. For example, in implementing the new Disability Duties, the Boards, CCMS and the Staff Commission, in consultation with disability groups, are working in partnership to conduct a survey that seeks to collect information from children and young people with disabilities on their experiences of the education system. This innovative programme of work gives children with disabilities an opportunity to record their school-based experiences. It is anticipated that the findings of the survey will ultimately help inform education policy.

There was an excellent turnout and lively participation at the Joint Consultative Forum seminar held in October 2007 on RPA implementation issues, the new Disability Duties, and the findings of the Equality Commission's Section 75 Effectiveness Review. The seminar held in May 2008 addressed both RPA implementation issues and inequalities in education.

Once again, the Commission has carried out a very wide range of duties with limited staffing and other resources. The Chief Executive and her staff deserve full recognition for what they have achieved and will continue to achieve for all the Commission's stakeholders, especially through this extended period of upheaval throughout the Education and Library services. I would like to take this opportunity to thank our many partners for their continuing cooperation, to commend all the Commission staff for another successful year's work, and to record once again my appreciation to my fellow Commissioners for their valued contribution to our endeavours.



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).

In July 2007, the Education Minister announced a revised RPA implementation timetable for education with a view to having the ESA operational by April 2009. The establishment date of April 2008, set by the previous Administration, was viewed by the Executive as being unrealistic given the scale of change facing the education system at the present time.

During this extensive change programme, the Staff Commission is committed to providing 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.

Commission officers contribute to a number of teams which have been created to take forward the work on the establishment of the ESA and NILA.

Education Sector Joint Forum for Human Resource Issues

The first meeting of the Education Sector Joint Forum under the auspices of ESAIT took place on 1 May 2007. The purpose of the Forum is to discuss, consult and negotiate, where appropriate, on issues relating to the legacy organisations. The scope of the Forum extends to all non-teaching staff employed by the Northern Ireland Education Sector employing authorities affected by the RPA. Membership consists of representatives from the employing authorities and the trade unions.

Key issues considered by the Forum during the reporting year included:

- ESAIT approach to Trade Union Side engagement on HR issues
- Competency Framework
- HR Policies and Procedures document
- Pension Arrangements
- Education Sector Policy on the Control of Vacancies
- Change Management Strategy for ESA
- Communications

During the reporting year Commission staff contributed to the development of draft policy documentation on a range of HR issues in the lead up to the establishment of ESA and NILA. In developing the draft policies, the recommendations and guiding principles of the Public Service Commission (PSC) were taken into account and the programme of work was linked to the work of the PSC.

Key issues included:-

- Implementation and review of the Education Sector Policy on the Control of Vacancies, including the provision of training for human resource and equality representatives from each of the education sector employing authorities.
- Consideration of proposed changes to the pension provisions in line with recent changes at national level and the impact on early severance/redundancy schemes.
- Development of a Resource Planning Database for the education sector to ensure that employing authorities have accurate and readily accessible information databases in place to facilitate the effective management of human resources in the transitional period and following the establishment of the ESA and NILA.
- Development of a central information base for the terms and conditions of employment of staff employed across the education sector employing authorities.

Terms and Conditions Working Group

Commission staff continue to play a key role in collecting and analysing information on the terms and conditions of service for non-teaching staff employed in the current education employing authorities. The findings of this exercise have been presented in a summary report and shared with management and the trade unions. The information will be used to assist with the development of terms and conditions of service for new staff to be employed by ESA and NILA as well as identifying harmonisation and protection issues for existing staff.

This exercise is ongoing.

Equality

A key objective of the Commission was '*to contribute to the development of a human resource equality strategy for ESA and NILA*'. This work has involved:-

- a review of current arrangements for the implementation of Section 75 of the Northern Ireland Act 1998 across the education authorities;
- an equality input to the ESA draft HR Principles and Policies document;
- preliminary work to inform an equality impact assessment of the ESA draft Human Resources Principles and Policies document;
- a review of employment equality policies and procedures across the education authorities;
- drafting a paper to '*examine the requirement of Part VII of the Fair Employment and Treatment (NI) Order 1998, as amended with regard to employment monitoring and Article 55 reviews and the issues to be considered in the establishment of both ESA and the NILA to enable them to fulfil these legal obligations*';
- guidance on the obligations of the HR Implementation Teams in regard to Section 75 of the Northern Ireland Act 1998;
- on-going advice and assistance to the ESA and NILA Implementation Teams as required.

Communicating Change Consultative Group

In the Minister's announcement on 19 July 2007 and subsequent meeting with Chairpersons of RPA affected groups on 31 July, she reiterated her commitment to keep all parties fully informed at all stages of the change programme.

A key component of implementing change is making sure people are aware of and understand the implications of the change for them.

During 2007, the Department of Education established the Communicating Change Consultative Group to deal with the changes resulting from the RPA. The Commission's Chief Executive is a member of that Group. The function of the Group is to assist the Department of Education policy teams and the Education and Skills Authority Implementation Team in communicating the biggest change to the education system in Northern Ireland in thirty years. The Education Minister has given her commitment to keep all parties informed of the changes and developments and the Chairpersons of the group will assist her in this commitment.

The group is responsible for agreeing the most effective methods of communication in relation to all the developments within the RPA. It is also tasked with assessing and evaluating the information available and the methods used to relay the communication. The Department of Education and ESAIT will consider all feedback from the group and adopt communication strategies to RPA affected organisations as appropriate.

RPA Chairperson's Forum (Education)

The Commission's Chairperson is a member of the RPA Chairpersons' Forum which meets regularly and is chaired by the Education Minister.

The Forum's terms of reference are:

- to provide briefing to chairs on the main developments in the RPA reform and in the convergence programme;
- to discuss the best way for the existing organisations to contribute to the reform programme;
- to enable the Minister and chairs to examine issues being faced in maintaining service continuity during the transformation period.

2.2 EMPLOYMENT 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 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

An important task for the Commission is to co-ordinate, on behalf of the five Boards/Staff Commission, the implementation of the Section 75 and the new Disability equality duties.

In this regard, the Commission has implemented the following programmes of work:

- **Screening and Impact Assessments**

The Commission has drafted, issued for consultation, analysed and responded to feedback on the inter-Board/Staff Commission Annual Supplementary Report on the screening of new policies during the period April 2006 - March 2007.

The Commission co-ordinated consultation events, analysed feedback and compiled a report for consideration by the five Boards on the equality impact assessment 'Registration and Grant Aid Schemes for Local Voluntary Youth Groups'.

The Five Boards/Staff Commission finalised and issued for consultation an equality impact assessment on Job Evaluation. At the year's end, consultation was on-going on this impact assessment.

- **Interim Disability Action Plans**

In accordance with the five Board/Staff Commission Interim Plans, the Commission has conducted a review of measures taken and/or proposed to promote equality of opportunity for people with disabilities.

A research proposal, questionnaire(s) and information pack were developed in partnership with the Boards/CCMS to collect information from children and young people with disabilities on their experiences of the education system. Schools have been identified in the Belfast, North Eastern and Southern Board areas for inclusion in the pilot exercise.

The pilot exercise will test the questionnaire, the method for approaching schools and the delivery and administration of the questionnaires.

It is anticipated that the survey will be completed before the end of this school year. The findings of the pilot exercise will be published thereafter.

- **Consultation**

The Commission organised a series of consultation meetings, including a consultation event with people with disabilities and disability groups on the Boards'/Staff Commission's interim disability action plans. Disability Action, commenting on the interim plan, stated: "*We commend your Interim Plan for its clarity, conciseness and for its inclusion of key outcomes*";

Under the auspices of the Joint Consultative Forum (JCF), the Commission continued to organise events to ensure members kept abreast of developments on the Review of Public Administration. In October 2007, over 60 members attended a seminar which focused on the implementation of the RPA in the education sector, the new Disability Duties and the outcomes of the Equality Commission's Section 75 Effectiveness Review.

2.3 CODE OF PROCEDURES ON RECRUITMENT AND SELECTION

During the year, Commission officers provided on-going support and assistance to Boards in the implementation of the Code. Training in relation to Recruitment and Selection skills was provided to a range of Board members and Officers across the Education and Library Boards. The review of the implementation of the Code is on-going in the context of the Education Sector Policy on the Control of Vacancies and the development of HR policies in the lead-up to the establishment of ESA and NILA.

2.4 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 4 JNC meetings, 5 meetings of the Executive Committee, 6 meetings of the Joint Secretaries and numerous working party meetings for specific initiatives. Eight JNC agreements were promulgated and issued during this period.

Key Items of business related to:-

- **Review of Public Administration**

Extensive discussions have been on-going between Management, Trade Unions, the Department of Education, the Education and Skills Authority Implementation Team (ESAIT) and the Northern Ireland Library Authority Implementation Team (NILAIT) in relation to the major change issues associated with the outworkings of the RPA.

During the reporting year representatives from DE, DCAL, ESAIT and NILA made a valuable contribution to the JNC meetings by providing information on progress in relation to the implementation process.

- **Classroom Assistants - Job Evaluation**

The lengthy and complex negotiations in relation to the pay and grading of Classroom Assistants reached a conclusion in November 2007. The terms of the offer are currently being implemented.

- **Redundancy Policies and Procedures**

A range of amendments to terms and conditions of employment were agreed between management and the Trade Unions following the implementation of the Employment Equality (Age) Regulations (NI) 2006.

Agreement was also reached on amendments to the Boards' Scheme for Redundancy, Premature Retirement on Grounds of Redundancy and Retirement in the Interests of the Efficiency of the Employer's Service.

- **Educational Psychologists Pay Claim**
Negotiations have been on-going between Management and the Trade Unions in relation to complex issues associated with the pay and grading of Educational Psychologists. It is hoped that this matter will be brought to a satisfactory conclusion in the near future.
- **Working Parties**
Throughout the year Commission staff were involved in a range of Joint Working Parties relating to specific initiatives. Input to the Working Parties included the chairing of meetings, research facilities and preparation of proposals/recommendations for submission to the Joint Secretaries of the Joint Negotiating Council.

2.5 ENSURING ORGANISATIONAL EFFECTIVENESS

Freedom of Information

The Commission's Freedom of Information Scheme is being implemented in all areas of operation. The Scheme is published on the Commission's website.

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 for the period 1 April 2007 - 31 March 2008 has been submitted to the Equality Commission for Northern Ireland. It is also published on the Staff Commission's website at www.staffcom.org.uk.

The Staff Commission has in place a comprehensive programme of work to fulfil the disability duties in relation to its functions. A report on progress has been submitted to the Equality Commission. It is also publicised on the Staff Commission's website at www.staffcom.org.uk.

Corporate Strategy

The Commission's Corporate Plan 2006/2008 details the Commission's specific legislative mandates and key strategic objectives in the lead up to the establishment of the new Education and Skills Authority which is planned to be operational from 1 April 2009. The Business Plan for 2007/08, which was published separately, identified 49 Key Performance Indicators (KPIs) for the reporting year, all of which were achieved.

Staff Training and Development

Individual training and development plans were reviewed to ensure that staff were 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. During the reporting year existing

partnerships were maintained, some were further developed and, through new initiatives, new partnerships were forged. We are grateful to the community and voluntary sectors and the trade unions for the collaborative approach to the implementation of our comprehensive equality strategy and for their valuable contribution to the Joint Consultative Forum.

Commission officers continue to liaise closely with the Public Service Commission (PSC), primarily by commenting on the PSC's emerging Guiding Principles/Recommendations.

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 and NILA and have developed collaborative working arrangements with the ESA and NILA Implementation Teams.

2.6 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 Internal Audit Services during January 2008. On the basis of Internal Audit's evaluation of the adequacy of controls or compliance with best practice, the level of assurance given on financial systems was "substantial", i.e. *"There is a robust system of risk management, control and governance which should ensure that objectives are fully achieved."* No issues were noted. With regard to risk management Audit reported that *"the procedures developed by the Risk Management Co-ordinator are sound ... and the action taken is in accordance with Treasury/DFP Guidance"*.

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 (FReM) issued by HM Treasury and in the form and on the basis directed by the Department of Education with the approval of the Department of Finance and Personnel. 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 2008

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 HM Treasury 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 2007/08 demonstrates how the work of the Commission contributes towards the achievement of the Commission's strategic objectives.

The 49 Key Performance Indicators (KPIs) established for the reporting year were achieved.

The key factors underlying the 2007/08 development and performance of the Commission are included in the full review of the Commission's activities as detailed in the Annual Report.

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(c) and 16 to the accounts.

Results for the Year

The financial results for the year of the Commission are set out in detail on Page 23. The net operating cost for the year was £368,572 (2007 as restated: £347,643) after notional credits of £6,122 (2007: £5,620).

Fixed Assets

Details of the movement of fixed assets are set out in note 9 to the accounts.

The estimated 2007/08 operating costs and income per the Commission's Resource Allocation Plan, compared with the actual operating costs and income in 2007/08 stated prior to the incorporation of pension scheme costs and liability, can be summarised as follows:

	Estimated £K	Actual £K	Variance £K
Contribution from Youth Council for Northern Ireland and ESAIT towards shared costs	8	8	-
	-----	-----	-----
Total revenue income	8	8	-
	=====	=====	=====
Staff costs (including pension cost paid, and <u>not</u> the current service cost as calculated by the actuary)	279	279	-
Other operating expenses	91	88	3
	-----	-----	-----
Total revenue expenditure allowing for accruals and prepayments (excluding depreciation, notional costs/ credit and actuarial pension cost)	370	367	3
	=====	=====	=====
Capital expenditure	1	1	-
	=====	=====	=====

The Commission is pleased to note that the actual expenditure in the year was within the resources allocated by the Department.

3. FUTURE DEVELOPMENTS

The Commission will continue to develop its role in promoting good employment practice, particularly in the lead up to the establishment of the new Education and Skills Authority (ESA) and the new Library Authority (NILA).

Future key developments include: -

- Providing support and assistance to the ESA and NILA Implementation Teams in taking forward the HR issues associated with its programme of work for the establishment of the Education and Skills Authority and the Northern Ireland Library Authority.
- 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*";

4. IMPORTANT EVENTS OCCURRING AFTER THE YEAR END

There have been no 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 Chairman;
- (b) 5 Members of Boards,
2 Chief Executives,
1 Chief Librarian, and
2 Staff Association Representatives;
- (c) 2 other persons;

The following persons served as Members of the Commission during the financial year 2007/2008: -

- (a) Prof. B Cullen (re-appointed January 2006)
- (b) Mrs H Sloan (appointed July 2006)
Rev S Graham (appointed July 2006)
Mr W Ward (appointed July 2006)
Mr P Brannigan (appointed July 2006)
Mrs F Brunt (appointed July 2006)
Mr D Cargo (appointed July 2006)
Mr B Mulholland (appointed July 2006)
Mrs B Porter (appointed July 2006)
Mr B Graham (appointed July 2006)
Mrs L Kerr (appointed July 2006)
- (c) Mrs A Connolly (re-appointed January 2006)
Mrs U O'Kane (appointed July 2006)

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.

As a member of the Employers' Forum on Disability, 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 Government Accounting Rules.

The Commission's payment policy is consistent with the Better Payment Practice Code and Government Accounting Rules and, unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During the year ending 31 March 2008 100% (2007:100%) 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 Chief Executive's office.

11. AUDITORS DETAILS

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

	2008	2007
COST OF EXTERNAL AUDIT	£	£
Audit Services (notional cost)	2,772	2,790

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

The Chief Executive, 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.



Prof. B Cullen
Chairman



Mrs P Weir
Chief Executive/
Commission Secretary

19 June 2008
Date

REMUNERATION REPORT FOR THE YEAR ENDING 31 MARCH 2008

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 normal retiring age of 65. 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:-

	Date of Contract	Unexpired Term	Notice Period
Commission Members			
Prof B Cullen	Re-appointed January 2006	2 years	None
Mrs H Sloan	Appointed July 2006	3 years	None
Rev S Graham	Appointed July 2006	3 years	None
Mr W Ward	Appointed July 2006	3 years	None
Mr P Brannigan	Appointed July 2006	3 years	None
Mrs F Brunt	Appointed July 2006	3 years	None
Mr D Cargo	Appointed July 2006	3 years	None
Mr B Mulholland	Appointed July 2006	3 years	None
Mrs B Porter	Appointed July 2006	3 years	None
Mr B Graham	Appointed July 2006	3 years	None
Mrs L Kerr	Appointed July 2006	3 years	None
Mrs U O'Kane	Appointed July 2006	3 years	None
Mrs A Connolly	Re-appointed January 2006	2 years	None

Chief Executive

Mrs P Weir

Open-ended contract

3 months

Emoluments of Senior Postholders and Commission Members (Audited)

Name	Pensionable Earnings £	Accrued Pension £	Real Increase £	Accrued Lump Sum £	Real Increase £	CETV @ 31/03/07 £	CETV @ 31/03/08 £	Real Increase £
Mrs P Weir	56,296	23,602	918	70,806	2,754	356,007	396,662	29,638
Mr P Robinson	43,911	18,767	845	56,302	2,534	288,316	320,728	25,961
Ms D Vaugh*	26,347	9,719	482	29,157	1,445	138,167	155,871	13,420
* Ms D Vaugh works part-time, 21 hours per week								

Notes:

- a** No benefits-in-kind were received.
- b** For the above members of the NILGOSC Pension Scheme, a lump sum equal to three times the accrued pension at 31st March 2008 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 2007, details of which are available in the Northern Ireland Local Government Officers' Pension Fund Resource 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

The total emoluments excluding social security cost (incl. Honoraria) of the Chairperson were £6,372 (2007: £6,200). The remaining 12 Commission members do not receive emoluments.

There were no payments for compensation for loss of office or benefits-in-kind paid to Commission members or senior management during the year ended 31st March 2008 (2007: £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 P Weir
Chief Executive/Accounting Officer

19 June 2008

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, total recognised gains and losses 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 and for the keeping of proper records, 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 Government Accounting 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 2008 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.

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 Internal Audit report for 2007/2008 confirmed that, in relation to Risk Management, *'the procedures developed by the Risk Management Co-ordinator are sound ...and the action taken is in accordance with Treasury/DFP guidance'*.

Audit noted that the Risk Register had been reviewed and further developed during the 2007/2008 year.

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.

5. 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 P Weir
Chief Executive/Commission Secretary

19 June 2008
Date

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 2008 under the Education and Libraries (Northern Ireland) Order 2003. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses 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 Staff Commission, Chief Executive and auditor

The Staff Commission and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Education and Libraries (Northern Ireland) Order 2003 and Department of Education directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Staff Commission's and Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Education and Libraries (Northern Ireland) Order 2003 and Department of Education directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Management Commentary, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Staff Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by the Department of Finance and Personnel regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Staff Commission's compliance with the Department of Finance and Personnel's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Staff Commission's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Sections 1 and 2 of the Annual Report, and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Staff Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Staff Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Education and Libraries (Northern Ireland) Order 2003 and directions made thereunder by Department of Education, of the state of the Staff Commission's affairs as at 31 March 2008 and of its net operating costs, the cash flows and recognised gains and losses for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Education and Libraries (Northern Ireland) Order 2003 and Department of Education directions made thereunder; and
- information, which comprises the Management Commentary, included within the Annual Report, is consistent with the financial statements.

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.

Report

I have no observations to make on these financial statements.



JM Dowdall CB
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU
26 June 2008

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2008**OPERATING COST STATEMENT FOR YEAR ENDING 31 MARCH 2008**

		2008	2007
	Notes	£	(as restated)
Income			£
Miscellaneous operating income	3	8,412	4,963
Total Income		<u>8,412</u>	<u>4,963</u>
Expenditure			
Staff costs	4	298,118	271,568
Depreciation	9	848	3,276
Other operating expenses	5	88,140	89,382
Finance income re pension scheme	16	(4,000)	(6,000)
		<u>383,106</u>	<u>358,226</u>
Notional credit	6	(6,122)	(5,620)
Total Expenditure		<u>376,984</u>	<u>352,606</u>
Net Operating Cost		368,572	347,643
Debit in respect of notional credit	6	<u>6,122</u>	<u>5,620</u>
Amount transferred to General Fund	12	<u>374,694</u>	<u>353,263</u>

All amounts above relate to continuing activities.

The notes on pages 27 to 36 form part of these accounts

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2008

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDING 31 MARCH 2008

	Note	2008 £	2007 £
Actuarial gain (loss) recognised in respect of pension scheme	16 (v)	283,000 =====	(278,000) =====

The notes on pages 27 to 36 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2008**BALANCE SHEET AS AT 31 MARCH 2008**

	Note	2008 £	2007 (as restated) £
Fixed Assets			
Tangible assets	9	1,705	1,590
Current Assets			
Debtors	10	7,216	4,355
Cash at bank and in hand	13(ii)	829	147
		8,045	4,502
Current Liabilities			
Creditors: amounts falling due within one year	11	13,574	4,478
		(5,529)	24
Net Current (Liabilities) Assets			
Total Assets less Current Liabilities			
Pension liability	16(vi)	(119,000)	(387,000)
Net liabilities		(122,824)	(385,386)
Financed by:			
Tax Payers' Deficiency			
General Fund	12	(122,824)	(385,386)

The financial statements on pages 23 -36 were approved and authorised for issue by the Commission at its meeting held on 19 June 2008 and were signed on its behalf by:



Prof. B Cullen
Chairman



Mrs P Weir
Chief Executive/
Commission Secretary

19 June 2008
Date

The notes on pages 27 to 36 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2008

CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH 2008

	Notes	2008 £	2007 £
Net cash outflow from operating activities	13(i)	(352,611)	(340,094)
Financing – grant drawn down from Department of Education for Northern Ireland	2	353,293	340,065
Capital expenditure	9	963	1,000
Capital grant received	2	(963)	(1,000)
Increase/(Decrease) in cash	13(ii)	<u>682</u>	<u>(29)</u>

The notes on pages 27 to 36 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2008

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Convention

Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the United Kingdom accounting standards issued or adopted by the Accounting Standards Board, the Financial Reporting Manual (FReM) issued by HM Treasury, 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.

1.2 (a) 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 balance sheet.

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

1.2. (b) Change in Accounting Policy for Grant Income applied towards Capital Expenditure

The FReM has introduced changes in accounting treatment for Grant applied toward capital expenditure. This grant is now credited directly to the General Fund, rather than taken to Capital Grant Reserve and released over the useful lives of the related assets. This represents a change in accounting policy and the prior figures have accordingly been restated in:-

- The Operating Cost Statement;
- The Balance Sheet;
- The Cash Flow Statement;
- Notes 2 and 12

This prior period adjustment does not impact on the net liabilities of the Commission, but, instead, it has the effect of transferring the funds previously accounted for through the former Capital Grant Reserve to the General Fund.

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 Fixed Assets

All spending on a fixed asset which yields a benefit for a period of more than one year is treated as capital expenditure in the accounts. This excludes expenditure on repairs and maintenance of fixed assets, 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 £150 per individual item are written off to the operating cost statement in the period of acquisition. Assets are not subject to revaluation but are disclosed at historic cost.

1.4.2 Depreciation

Depreciation is provided for all fixed assets with a finite useful life, by allocating the cost (or re-valued amount) 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	5 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 Fund over the useful economic life of the related asset.

1.5 Stocks

There are no material stocks held by the Commission.

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, Holywood Road, Belfast.

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

1.7 Reserves

The General Fund 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 Income and Expenditure Reserve.

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

	2008	2007
	£	£
Recurrent Grant		
RfR A grant-in-aid	353,293	340,000
Grant used for minor capital items	-	65
Grant used for purchase of tangible fixed assets	963	1,000
Total grant credited to General Fund (note 12)	<u>354,256</u>	<u>341,065</u>

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. OPERATING INCOME

	2008	2007
	£	£
N.I. Youth Council	5,266	4,963
ESAIT	3,146	-
	<u>8,412</u>	<u>4,963</u>

4. STAFF COSTS

(a) Other than the Chairperson whose details are given in the Remuneration Report on page 18, the average number of persons employed by the Commission during the year and staff costs are as follows:-

	2008	2007
	Number	Number
Professional/Administrative	6	6
Manual – Domestic	1	1
Total	<u>7</u>	<u>7</u>

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

	2008	2007
	£	£
<i>Professional/Administrative</i>		
Wages & salaries	220,307	207,062
Social security costs	17,655	17,295
	<u>237,962</u>	<u>224,357</u>
<i>Manual – Domestic</i>		
Wages & salaries	11,139	8,568
Social security costs	757	416
	<u>11,896</u>	<u>8,984</u>
	<u>249,858</u>	<u>233,341</u>
Pension costs – current service cost as calculated by the scheme actuary	48,260	38,227
Total	<u>298,118</u>	<u>271,568</u>

(c) 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 resource accounts.

The most up to date actuarial valuation of the Scheme was carried out as at 31 March 2007, details of which are available in the Northern Ireland Local Government Officers' Pension Fund Resource Accounts.

For 2007/2008, employers' contributions of £29,260 (2006/2007: £23,227) were payable to the Scheme at 13% of pensionable salary.

Further details of pension scheme costs and commitments as now accounted for under FRS 17 are given in note 16 below.

5. OTHER OPERATING EXPENSES (Including VAT, where relevant)

	2008	2007
	£	£
Travelling & Subsistence – Officers	4,453	4,921
Members	671	336
Rent, Rates and Insurance	35,996	35,530
Hospitality	2,158	2,519
Conferences, Courses and Training	5,096	6,215
Service Charge, Electricity, Cleaning, Eye Tests/ Advert	13,454	9,817
Maintenance and Repairs	1,946	512
Minor Capital Items	-	65
Maintenance Contract	2,021	1,684
Printing, Stationery and Office Requisites	6,681	9,694
Telephone and Postage	5,147	5,544
Miscellaneous	3,639	4,830
Internal Audit Services	2,961	2,961
Accountancy Services	3,395	2,908
Consultancy and Research	522	1,846
	<u>88,140</u>	<u>89,382</u>

Other operating expenses above include:-

	2008	2007
	£	£
Operating leases - hire of machinery	1,613	1,839
Operating leases – property	22,250	22,250
	<u>23,863</u>	<u>24,089</u>

6. NOTIONAL COSTS (CREDITS)

	2008	2007
	£	£
External auditor's remuneration	2,772	2,790
Use of capital	(8,894)	(8,410)
	<u>(6,122)</u>	<u>(5,620)</u>

The Commission bases the cost of capital calculation on the total assets less total liabilities. The cost of capital percentage for the year ended 31st March 2008 is 3.5% (2007: 3.5%).

7. INTRA GOVERNMENT BALANCES

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

8. INTEREST PAYABLE

The Commission did not pay any interest during the year.

9. TANGIBLE FIXED ASSETS

	Computers	Fixtures & Fittings	TOTAL
Cost	£	£	£
At 1 April 2007	24,578	6,004	30,582
Additions	729	234	963
Disposals	(791)		(791)
At 31 March 2008	<u>24,516</u>	<u>6,238</u>	<u>30,754</u>
Depreciation			
At 1 April 2007	23,389	5,603	28,992
Charge for period	658	190	848
Disposals	(791)		(791)
At 31 March 2008	<u>23,256</u>	<u>5,793</u>	<u>29,049</u>
Net Book Value at 31 March 2008	<u>1,260</u>	<u>445</u>	<u>1,705</u>
Net Book Value at 31 March 2007	<u>1,189</u>	<u>401</u>	<u>1,590</u>

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 Departments and otherwise must be surrendered to the Department of Education.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Prepayments and accrued Income	7,216	4,355
	<u>7,216</u>	<u>4,355</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Accruals and deferred income	13,574	4,478
	<u>13,574</u>	<u>4,478</u>

12. GENERAL FUND

	2008	2007 (as restated)
Note	£	£
At start of year – as per audited accounts	(386,976)	(99,054)
Prior year adjustment	<u>1,590</u>	<u>3,866</u>
At start of year – as restated	(385,386)	(95,188)
Recurrent grant from Department of Education credited	353,293	340,065
Capital funding from Department of Education	963	1,000
Amount transferred from Operating Cost Statement	(374,694)	(353,263)
Actuarial gain (loss)	283,000	(278,000)
At end of year	<u>(122,824)</u>	<u>(385,386)</u>
Analysed as relating to:		
Pension liability	(119,000)	(387,000)
Other	(3,824)	1,614
Total	<u>(122,824)</u>	<u>(385,386)</u>

13. NOTES TO THE CASH FLOW STATEMENT**(i) Reconciliation of operating cost to cashflow from operating activities**

	2008	2007 (as restated)
	£	£
Net operating cost for the year	(368,572)	(347,643)
<i>Adjust for:</i>		
Depreciation (note 9)	848	3,276
Notional credits (note 6)	(6,122)	(5,620)
Increase in prepayments & accrued income	(2,861)	(194)
Increase in accruals and deferred income	9,096	1,087
(Decrease) Increase in pension liability	(268,000)	287,000
Actuarial gain (loss) in respect of the pension scheme recognised through the Statement of Recognised Gains and Losses	283,000	(278,000)
Net cash outflow from operating activities	<u>(352,611)</u>	<u>(340,094)</u>

(ii) Reconciliation of net cash inflow/(outflow) to movement in net funds

	2008	2007
	£	£
Cash at bank and in hand at start of year	147	176
Net cash inflow/(outflow)	682	(29)
Cash at bank and in hand at end of year	<u>829</u>	<u>147</u>

14. 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,
- 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.

15. FINANCIAL COMMITMENTS

	2008	2007
The Commission had the following annual rental financial commitments:		
In respect of a property lease expiring on 31 March 2010*, with a break option at April 2007, which was not exercised	22,250	22,250
In respect of office equipment leases:		
- lease expiring within 0-1 years	750	-
1-2 years	-	1,275
	750	1,275

* In April 2005 the property 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.

16. PENSION COSTS AND COMMITMENTS

As indicated in note 4 above, the Commission provides retirement benefits to its employees through participation in the Northern Ireland Local Government Officers Pension Fund. A full actuarial valuation by a qualified actuary was carried out at 31st March 2007 with review update to 31st March 2008.

(i) The major assumptions used by the actuary were:-

	31.03.08	31.03.07	31.03.06
	% pa	% pa	% pa
Price increases	3.6%	3.2%	3.1%
Salary increases	5.1%	4.7%	4.6%
Pension increases	3.6%	3.2%	3.1%
Discount rate	6.9%	5.4%	6.0%

(ii) The assets in the scheme and the expected rate of return were:-

	Long term rate of Return at 31.03.08	Value at 31.03.08	Long term rate of return at 31.03.07	Value at 31.03.07	Long term rate of return at 31.03.06	Value at 31.03.06
	% pa	£	% pa	£	% pa	£
Equities	7.7%	1,081,000	7.8%	1,051,000	7.4%	1,000,000
Bonds	5.7%	159,000	4.9%	197,000	4.6%	200,000
Property	5.7%	111,000	5.8%	144,000	5.5%	100,000
Cash	4.8%	21,000	4.9%	16,000	4.6%	-
	<u>7.3%</u>		<u>7.2%</u>		<u>6.9%</u>	
Estimated employer assets		1,372,000		1,408,000		1,300,000
Present value of scheme liabilities		(1,491,000)		(1,795,000)		(1,400,000)
Net Pension Liability		<u>(119,000)</u>		<u>(387,000)</u>		<u>(100,000)</u>
		=====		=====		=====

(iii) Amount charged to operating expenditure-staff costs

	31.03.08 £	% of Payroll	31.03.07 £	% of payroll
Current service cost	48,260	21.9%	38,227	17.9%
Total operating charge	<u>48,260</u>	<u>21.9%</u>	<u>38,227</u>	<u>17.9%</u>
	=====	=====	=====	=====

(iv) Amount charged to finance cost re pension scheme

Expected return on employer assets	102,000	46.2%	91,000	44.3%
Interest on pension scheme liabilities	(98,000)	(44.6%)	(85,000)	(41.3%)
Net return	<u>(4,000)</u>	<u>1.6%</u>	<u>(6,000)</u>	<u>3.0%</u>
Net charge per Operating Cost Statement	<u>44,260</u>	<u>20.3%</u>	<u>32,227</u>	<u>14.9%</u>
	=====	=====	=====	=====

(v) Analysis of amount recognised in Statement of Recognised Gains and Losses (SRGL)

	31.03.08 £	31.03.07 £
Actual return less expected return on pension scheme assets	(153,000)	(16,000)
Experience gains and (losses) arising on the scheme liabilities	111,000	(1,000)
Changes in financial assumptions underlying the present value of the scheme liabilities	325,000	(261,000)
Actuarial gain/(loss) recognised in SRGL	<u>283,000</u> =====	<u>(278,000)</u> =====

(vi) Movement in deficit during the year

	31.03.08 £	31.03.07 £
Deficit at start of year	(387,000)	(100,000)
Current service cost	(48,260)	(38,227)
Employer contributions	29,260	23,227
Net return on scheme assets	4,000	6,000
Actuarial gains (losses)	283,000	(278,000)
Deficit at end of year	<u>(119,000)</u> =====	<u>(387,000)</u> =====

(vii) History of experience gains and losses

	31.03.08 £	31.03.07 £
Difference between the expected and actual return on scheme assets	(153,000)	(16,000)
Value of assets	1,372,000	1,408,000
Percentage of assets	(11.2%)	(1.1%)
Experience gains/(losses) on liabilities	111,000	(1,000)
Total present value of liabilities	1,491,000	1,795,000
Percentage of the total present value of liabilities	7.4%	(0.1%)
Actuarial gains/(losses) recognised in SRGL	283,000	(278,000)
Total present value of liabilities	1,491,000	1,795,000
Percentage of the total present value of liabilities	19.0%	(15.5%)

17. FINANCIAL INSTRUMENTS

Because of the largely non-trading nature of its activities and the way in which it is financed, the Commission is not exposed to the degree of financial risk faced by business entities. The Commission has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Commission in undertaking its activities.

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.

18. FINANCIAL TARGET

The Commission's only financial target for 2007-2008 was to contain expenditure within the resource allocation approved by the Department.

After allowing for the incorporation of FRS 17 pension costs and liability, the resultant net operating cost is within the 2007/08 resources allocated by the Department. Budgetary implications of the FRS 17 pension costs and liability are currently under consideration by the Department.

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