

**Staff Commission for Education and Library Boards
Annual Report and Accounts
For the year ended 31st March 2009**

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

3 July 2009

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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 2008/09, which includes a brief account by the Commission's Chief Executive Patricia Weir of another varied and 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 the actual expenditure in the year under review was again within the modest resources allocated by the Department of Education; and that of the 31 Key Performance Indicators (KPIs) established for the reporting year, 26 were achieved in full, with the remaining 5 KPIs forming part of the ongoing wind-down process leading to the establishment of the Education Skills Authority (ESA) on 1 January 2010. It is also worthy of note that the Commission's system of financial controls and risk management was recently declared by our independent auditors to be "substantial".

Taken overall, this represents a consistently excellent achievement, and the Commission staff deserve our warm congratulations and appreciation.

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 five Education and Library Boards. This indispensable work, offering secretariat, research and advice services to all parties, has gone on constantly in the background and is summarised in section 2.4 below.

However, the work of the Commission has been dominated by the transition to the establishment of the Education and Skills Authority, now due to be established on 1 January 2010, and the Northern Ireland Library Authority, which came into being as Libraries NI on 1 April 2009. During the reporting year, Commission staff contributed to the development of draft policy documentation on a wide range of HR issues in the lead-up to the establishment of both new organisations. For a flavour of the breadth of those issues, central to the effective operation of the new organisations, see section 2.1 of the Chief Executive's report below.

The Staff Commission has continued to play a leading regional role in the area of workplace equality. In addition to its contribution to mainstreaming equality in the ESAIT and NILAIT programmes of work and its continued co-ordination of the equality duties across the Education and Library Boards, the Commission has made a significant contribution through the Equality Commission's Advisory Groups to the implementation of the findings of its Effectiveness Review of the Section 75 Equality Duties. The Commission's involvement in the outworking of these Groups will help shape future implementation of Section 75 across all public authorities.

This year 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 for what they have achieved and will continue to achieve for all the Commission's stakeholders, until the establishment of the ESA and the dissolution of the Commission at the end of the year. I would like to take this opportunity to thank our many partners (not least in the Community and Voluntary sectors) for their continuing cooperation and support. With the establishment of Libraries NI, library staff ceased to be represented on the Staff Commission and our long-standing Chief Librarian commissioner Beth Porter stepped down from the Commission at the end of March 2009. I would like to thank Beth for her gracious and supportive contributions as a commissioner throughout my time in the chair. Finally, I wish 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 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 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. (NILA was established on 1 April 2009 and is now to be known as Libraries NI).

Education Sector Joint Forum for Human Resource Issues

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:-

- Recruitment, Redeployment and Voluntary Severance (RRVS) Strategy for ESA Senior Management (Director and Assistant Director levels);
- Education Sector Policy on the Control of Vacancies;
- Terms and conditions of employment for new appointees to ESA;
- Staff Transfer Schemes (ESA and NILA);
- HR Principles and Policies Document;
- Change Management Strategy for ESA.

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.

ESA Implementation Team – Change Management Programme

During the year workshops were organised by ESAIT to assist with the development of service delivery models for key services in the new organisation and Commission staff contributed to the workshops relating to Human Resources and Corporate Development.

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 summary report and proposals have been shared with management and the trade unions and the information will assist ESAIT with the development of terms and conditions of service for new staff to be employed by ESA, as well as identifying harmonisation and protection issues for existing staff.

Key issues include:-

- Recognised consultation/negotiation arrangements;
- Leave entitlement and time off provisions;
- Work-Life Balance;
- Pensions/Early Severance;
- Equal Opportunities Policies and Procedures;
- Recruitment and Selection Policy.

This exercise is on-going.

During the year, Commission staff provided a database of information relating to the terms and conditions of employment for library staff transferring to the Northern Ireland Library Authority from the Education and Library Boards on the 1 April 2009 (now to be known as Libraries NI).

ESAIT – Section 75 Equality Duties Group

During the year, ESAIT established an Equality Duties Group to consider how equality could be mainstreamed into its project work and to assist in the development of an equality strategy for ESA.

The Group has provided advice and guidance on:-

- the ESAIT Equality Screening Process;
- an Equality Template which aims to ensure that equality considerations are built into the process of developing service delivery plans;
- the Equality Commission's Effectiveness Review of Section 75 and its implications for the drafting of an Equality Scheme for ESA.

The Commission has also provided input to:-

- the Service Delivery Models being developed by ESAIT in key areas such as "Equality, Rights and Social Inclusion" and "Employment Equality";
- preliminary work on the development of an Employment Equality and Disability Action Plan and an Equality Scheme for ESA;
- the 'Draft Scheme for Recruitment and Selection of Teaching and Support Staff in Schools' currently being developed by ESAIT.

Employment 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:-

- the drafting of employment equality policies and procedures for consideration by ESAIT and NILAIT, for new recruits to be employed by ESA and Libraries NI;
- the re-drafting of the paper developed 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 NILA to enable them to fulfil these legal obligations'*. This paper and its outworkings required further review as a result of the change of date for the establishment of ESA;
- on-going advice and assistance to the ESA and NILA Implementation Teams as required.

Communicating Change Consultative Group

Communication has been recognised as a key priority throughout the RPA. In January 2008, at the request of the RPA Management Board, the Communicating Change Consultative Group was established. The Group is made up of nominees from the RPA affected organisations and it was formed in order to:-

- establish clarity on RPA communication needs and flows;
- explore the methods and media for communicating with staff of the respective affected organisations; and
- update affected organisations on what is currently happening with the RPA.

The Commission's Chief Executive is a member of this Group which meets regularly. The minutes of meetings can be viewed on the ESAIT website at www.esani.gov.uk.

RPA Chairperson's Forum (Education)

Meetings between the Minister of Education, Caitriona Ruane, and the Chairpersons of RPA affected groups are held on a regular basis. The aim of these meetings is for the Minister to engage with the Chairpersons of the groups, providing them with briefing on RPA developments, discussing the best way of engaging the organisations involved and examining jointly the issues faced in maintaining service continuity during the transition period. The Commission's Chairperson is a member of this Forum.

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.

The minutes of Forum meetings can be viewed on the ESAIT website at www.esani.gov.uk.

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 is involved in the following work:-

- **Equality Commission’s Advisory Groups**

- a) Section 75 Standard of Compliance Project**

- During 2008, the Equality Commission established the above Advisory Group to assist it by way of review, quality assurance and advice, in the development of an audit based approach which will enable effective, objective and consistent monitoring, assessment and enforcement of public authority compliance with the Section 75 statutory equality duties.

- b) Section 75 Revised Guide**

- During 2009, a second group was established to provide an opportunity to discuss substantive thematic policy areas arising from the consultation exercise on the above revised Guide and to develop policy options for consideration by the Equality Commission on key aspects of the Section 75 equality duties.

The Staff Commission is representing the education NDPBs on both these Advisory Groups. Work is at an advanced stage in the development of a two-tier standard of compliance. In terms of the revised Guide, substantial progress has been made on a number of the key policy areas, a paper is being submitted to the May 2009 meeting of the Equality Commission with a number of proposals/options for consideration.

- **Screening and Impact Assessments**

- The Commission had drafted, issued for consultation, analysed and responded to feedback on the inter-Board Annual Supplementary Report on the screening of new policies during the period April 2007 – March 2008.

The Commission, in consultation with the five Boards, drafted and published the results of the five Board equality impact assessment on “Registration and Grant Aid Schemes for Local Voluntary Youth Groups”.

Following consultation on the inter-Board equality impact assessment of the Job Evaluation Schemes, the Association of Chief Administrative Officers determined that the EQIA should be reviewed. The revised EQIA was issued for consultation by the Commission in March 2009.

At the year's end, consultation was on-going on the revised impact assessment.

- **Consultation**

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.

This year, two seminars were held on 13 May 2008 and 12 February 2009 with around 60 representatives of the Community and Voluntary Sectors attending each event. The main themes discussed were the Review of Public Administration; Inequalities in Education; and Mainstreaming Equality in the ESA and Schools.

- **Interim Disability Action Plan**

During the year, a pilot exercise was conducted to test the suitability of questionnaires and the proposed methodology for a survey aimed at collecting information from children and young people with disabilities/special needs on their experience of the education system. The pilot survey was conducted across a number of Boards, its main conclusion was that the questionnaires were fit-for-purpose in mainstream schools but an alternative approach was required in special schools and that it would be preferable if the questionnaires could be completed on-line.

At the year's end, the on-line survey was complete in the primary sector and is on-going in post primary schools. It is anticipated that the target of 1000 completed returns across the five Boards will be achieved.

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 3 JNC meetings, 4 meetings of the Executive Committee, and numerous working party meetings for specific initiatives. Twenty four JNC agreements were promulgated and issued during this period.

Key items of business related to:-

- **Review of Public Administration**
Establishment of Northern Ireland Library Authority – 1 April 2009 (Now to be known as Libraries NI); and
Transitional Arrangements in the lead-up to the Establishment of the Education and Skills Authority – 1 January 2010

Through the Joint Negotiating Council and the Education Sector Joint Forum, there have been on-going discussions 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, particularly in relation to the Policy on the Control of Vacancies, the Staff Transfer Schemes (NILA and ESA) and the Recruitment, Redeployment and Voluntary Severance Strategy (RRVS).

At the end of the year, Management and the Trade Unions agreed a Staff Transfer Scheme for library staff who transferred from the Education and Library Boards to Libraries NI on 1 April 2009. This major achievement has paved the way for a similar scheme to be agreed for staff who will transfer from the Education Sector employing authorities to ESA on 1 January 2010.

A Voluntary Severance Scheme was also agreed for library staff who did not wish to transfer to the new Authority.

- **Job Evaluation**
Good progress has been made in relation to the completion of the outstanding posts to be evaluated in Headquarters, Outcentres and Schools. A timetable has been developed in line with direction from the Department of Education to ensure that the work is completed by 30 June 2009.
- **Educational Psychologists Pay Claim**
The negotiations which had been on-going between Management and the Trade Unions in relation to complex issues associated with the pay and grading of Educational Psychologists were concluded and a revised structure was implemented in June 2008.
- **Education Welfare Service**
Following lengthy negotiations between Management and the Trade Unions, agreement was reached on new pay scales for Education Welfare Officers.
- **JNC for Youth and Community Workers**
During the year agreement was reached in relation to new pay scales for Professional and Support Workers across the service.

2.5 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 2008 - 31 March 2009 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.

Corporate Strategy

The Commission's Corporate and Business Plan 2008/09 details the Commission's specific legislative mandates, the planning context and the 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 January 2010.

The Business Plan for 2008/09 identified 31 Key Performance Indicators (KPIs), 26 of which were achieved. The remaining five are on-going in that they relate to the hand-over of Commission business to the ESA on 1 January 2010.

A programme of work has been developed aimed at dissolving the Commission by 31 December 2009.

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, Asset Registers and Risk Management was carried out by the Southern Internal Audit Services (SIAS) during January 2009. An independent assessment of the Commission's Data Protection Review was also carried out by SIAS. 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"*.

With regard to the Data Protection Review, Audit reported that *"the Commission has self-assessed itself against the guidance issued by the Department of Education. From our view of the evidence provided, this is a reasonable self-assessment and the scores in respect of Management Custodianship, Operational Custodianship and Technical Competency are appropriate."*

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 2009

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 Corporate and Business Plan for 2008/09 details the Commission's strategic objectives and demonstrates how the work of the Commission contributes towards the achievement of those objectives.

Of the 31 Key Performance Indicators (KPIs) established for the reporting year, 26 were achieved. The remaining 5 KPIs form part of the wind-down process in the lead-up to the establishment of ESA on 1 January 2010.

The key factors underlying the 2008/09 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 25. The net operating cost for the year was £371,121 (2008 £368,572) after notional credits of £5,156 (2008: £6,122).

Fixed Assets

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

The estimated 2008/09 operating costs and income per the Commission's Resource Allocation Plan, compared with the actual operating costs and income in 2008/09 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	5	5	0
	—	—	—
Total revenue income	5	5	0
	====	====	====
Staff costs (including pension cost paid, and <u>not</u> the current service cost as calculated by the actuary)	288	254	34
Other operating expenses	97	88	9
	—	—	—
Total revenue expenditure allowing for accruals and prepayments (excluding depreciation, notional costs/ credit and actuarial pension cost)	385	342	43
	====	====	====
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) on 1 January 2010.

Future key developments include:-

- Providing support and assistance to the ESA Implementation Team in taking forward the HR issues associated with its programme of work for the establishment of the Education and Skills Authority;
- In preparing for the Commission's transition to ESA, implementing a programme of work aimed at dissolving the Commission by 31 December 2009 and ensuring that the wind-down process is managed effectively;
- 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 Chairperson;
- (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 2008/2009:-

- | | |
|--------------------|--|
| (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 – term ended March 2009) ¹ |
| Mr B Graham | (appointed July 2006) |

¹ Following the establishment of Libraries NI on 1 April 2009, there is no longer a Chief Librarian representative on the Commission.

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. 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 2009 100% (2008:100%) 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.

	2009	2008
COST OF EXTERNAL AUDIT	£	£
Audit Services (notional cost)	3,735	2,772

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.

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 2008/09 financial year.

15. SICKNESS ABSENCE

	<u>2008/09</u>	<u>2007/08</u>
Days of sickness absence	<u>20.5</u>	<u>28</u>



Prof. B Cullen
Chairperson



Mrs P Weir
Chief Executive/
Commission Secretary

15 June 2009
Date

REMUNERATION REPORT FOR THE YEAR ENDING 31 MARCH 2009

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:-

Commission Members	Date of Contract	Unexpired Term	Notice Period
Prof B Cullen	Re-appointed January 2006	1 year	None
Mrs H Sloan	Appointed July 2006	2 years	None
Rev S Graham	Appointed July 2006	2 years	None
Mr W Ward	Appointed July 2006	2 years	None
Mr P Brannigan	Appointed July 2006	2 years	None
Mrs F Brunt	Appointed July 2006	2 years	None
Mr D Cargo	Appointed July 2006	2 years	None
Mr B Mulholland	Appointed July 2006	2 years	None
Mrs B Porter	Appointed July 2006 - term ended March 2009	2 years	None ²
Mr B Graham	Appointed July 2006	2 years	None
Mrs L Kerr	Appointed July 2006	2 years	None
Mrs U O'Kane	Appointed July 2006	2 years	None
Mrs A Connolly	Re-appointed January 2006	1 year	None

² Following the establishment of Libraries NI on 1 April 2009, there is no longer a Chief Librarian representative on the Commission.

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 @ 31/03/08 £	CETV @ 31/03/09 £	Real Increase £
Mrs P Weir	59,274	25,591	809	76,774	2,428	481,224	539,614	35,182
Mr P Robinson	46,235	20,339	633	61,016	1,899	407,108	454,100	29,549
Ms D Vaugh*	27,620	10,532	328	31,597	983	189,653	213,283	14,147
* Ms D Vaugh works part-time, 21 hours per week								

The factors used in calculating Cash Equivalent Transfer Values (CETVs) have been updated by the Government Actuary from 1st October 2008. The CETV amounts at 31 March 2008 have therefore been recalculated, upon instruction from the Department of Finance and Personnel, to give more meaningful comparisons with the year's figures. In the above cases, the recalculated amounts are higher than those calculated in the previous year.

The inflation rate used in this year's calculation is 5%.

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 2009 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, Hollywood 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 £6,501 (2008: £6,372). 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 2009 (2008: £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

15 June 2009
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 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 2009 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. There were no personal data related incidents during the 2008/09 financial year.

In 2008, the Commission carried out a Data Protection Self Assessment Review in accordance with guidance issued by the Department of Education. Internal Audit have reported that *"the scores in respect of Management Custodianship, Operational Custodianship and Technical Competency are appropriate."*

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 2008/2009 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 2008/2009 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. Establishment of Northern Ireland Library Authority (NILA) - 1 April 2009

During the year to 31 March 2009, Commission staff contributed to the NILA Human Resources Forum and provided a database of information relating to the terms and conditions of employment for library staff transferring to NILA from the Education and Library Boards. Although this was a significant piece of work, it did not impact on the day-to-day procedures and controls which currently operate within the Commission.

6. Establishment of Education and Skills Authority (ESA)

In preparation for the Commission's transition to ESA on 1 January 2010, a programme of work has been developed which aims at dissolving the Commission by 31 December 2009. Commission staff are actively engaged with the ESA Implementation Team on convergence activity to ensure a smooth transition of staff, assets, liabilities and responsibilities to the new organisation.

7. 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

15 June 2009
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 2009 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, which includes 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 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 certificate 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 the Department of Education, of the state of the Staff Commission's affairs as at 31 March 2009 and of its net operating costs, recognised gains and losses and cash flows 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
23 June 2009

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2009**OPERATING COST STATEMENT FOR YEAR ENDING 31 MARCH 2009**

		2009	2008
Income	Notes	£	£
Miscellaneous operating income	3	5,952	8,412
Total Income		<u>5,952</u>	<u>8,412</u>
Expenditure			
Staff costs	4	291,026	298,118
Depreciation	9	860	848
Other operating expenses	5	88,343	88,140
Finance charge (income) re pension scheme	16 (ii)	2,000	(4,000)
		<u>382,229</u>	<u>383,106</u>
Notional credit	6	(5,156)	(6,122)
Total Expenditure		<u>377,073</u>	<u>376,984</u>
Net Operating Cost		371,121	368,572
Debit in respect of notional credit	6	5,156	6,122
Amount transferred to General Fund	12	<u>376,277</u>	<u>374,694</u>

All amounts above relate to continuing activities.

The notes on pages 29 to 38 form part of these accounts

FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2009**STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDING 31 MARCH 2009**

	Note	2009 £	2008 £
Actuarial (loss) gain recognised in respect of pension scheme	16 (v)	(259,000)	283,000
Difference between the mid-market and bid-values of equities and bonds at start of the year- see note below		(4,476)	-
Total recognised (losses) gain		<u>(263,476)</u> =====	<u>283,000</u> =====

Note: The basis for valuing equities and bonds in the employer pension scheme assets has been revised from mid-market value in 2008 to bid value. In view of the small amounts involved, the prior year disclosure of employer assets and actuarial gains have not been restated. The difference in the relevant opening investment values has instead been recognised in the Statement of Recognised Gains and Losses, as indicated above.

The notes on pages 29 to 38 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2009**BALANCE SHEET AS AT 31 MARCH 2009**

	Note	2009	2008
		£	£
Fixed Assets			
Tangible assets	9	1,839	1,705
Current Assets			
Debtors	10	4,497	7,216
Cash at bank and in hand	13(ii)	4,282	829
		8,779	8,045
Current Liabilities			
Creditors: amounts falling due within one year	11	8,834	13,574
Net Current Liabilities		(55)	(5529)
Total Assets less Current Liabilities		1,784	(3824)
Pension liability	16(i)	(387,000)	(119,000)
Net liabilities		(385,216)	(122,824)
Financed by:			
Tax Payers' Deficiency			
General Fund	12	(385,216)	(122,824)

The financial statements on pages **25 - 38** were approved and authorised for issue by the Commission at its meeting held on 15 June 2009 and were signed on its behalf by:



Prof. B Cullen
Chairperson



Mrs P Weir
Chief Executive/
Commission Secretary

15 June 2009
Date

The notes on pages 29 to 38 form part of these accounts

FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2009**CASH FLOW STATEMENT FOR THE YEAR ENDING 31 MARCH 2009**

		2009	2008
	Notes	£	£
Net cash outflow from operating activities	13(i)	(372,913)	(352,611)
Financing – grant drawn down from Department of Education for Northern Ireland	2	376,366	353,293
Capital expenditure	9	995	963
Capital grant received	2	(995)	(963)
Increase in cash	13(ii)	<u>3,453</u>	<u>682</u>

The notes on pages 29 to 38 form part of these accounts

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDING 31 MARCH 2009

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 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.

1.3 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

	2009	2008
	£	£
Recurrent Grant		
RfR A grant-in-aid	376,366	353,293
Grant used for purchase of tangible fixed assets	995	963
Total grant credited to General Fund (note 12)	377,361	354,256

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

	2009	2008
	£	£
N.I. Youth Council	5438	5,266
ESAIT	-	3,146
Refund from NILGOSC	514	-
	<u>5,952</u>	<u>8,412</u>

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:-

	2009	2008
	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:-

	2009	2008
	£	£
<i>Professional/Administrative</i>		
Wages & salaries	226,387	220,307
Social security costs	17,845	17,655
	<u>244,232</u>	<u>237,962</u>
<i>Manual – Domestic</i>		
Wages & salaries	9,300	11,139
Social security costs	494	757
	<u>9,794</u>	<u>11,896</u>
	254,026	249,858
Pension costs – current service cost as calculated by the scheme actuary	37,000	48,260
Total	<u>291,026</u>	<u>298,118</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 2008/2009, employers' contributions of £34,476 (2007/2008: £29,260) were payable to the Scheme at 15% of pensionable salary.

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

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

	2009	2008
	£	£
Travelling & Subsistence – Officers	4,643	4,453
Members	823	671
Rent, Rates and Insurance	36,402	35,996
Hospitality	2,069	2,158
Conferences, Courses and Training	4,952	5,096
Service Charge, Electricity, Cleaning, Eye Tests/ Advert	10,672	13,454
Maintenance and Repairs	816	1,946
Maintenance Contract	2,285	2,021
Printing, Stationery and Office Requisites	4,547	6,681
Telephone and Postage	5,148	5,147
Miscellaneous	2,701	2,510
FRS 17 Fees	4,953	1,129
Internal Audit Services	3,358	2,961
Accountancy Services	4,664	3,395
Consultancy and Research	310	522
	<u>88,343</u>	<u>88,140</u>
Other operating expenses above include:-		
	2009	2008
	£	£
Operating leases - hire of machinery	1,717	1,613
Operating leases – property	22,250	22,250
	<u>23,967</u>	<u>23,863</u>

6. NOTIONAL COSTS (CREDITS)

	2009	2008
	£	£
External auditor's remuneration	3,735	2,772
Use of capital	(8,891)	(8,894)
	<u>(5,156)</u>	<u>(6,122)</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 2009 is 3.5% (2008: 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 2008	24,516	6,238	30,754
Additions	994	-	994
At 31 March 2009	<u>25,510</u>	<u>6,238</u>	<u>31,748</u>
Depreciation			
At 1 April 2008	23,256	5,793	29,049
Charge for period	729	131	860
At 31 March 2009	<u>23,985</u>	<u>5,924</u>	<u>29,909</u>
Net Book Value at 31 March 2009	<u>1,525</u>	<u>314</u>	<u>1,839</u>
Net Book Value at 31 March 2008	<u>1,260</u>	<u>445</u>	<u>1,705</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

	2009	2008
	£	£
Prepayments and accrued Income	4,497	7,216
	<u>4,497</u>	<u>7,216</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Accruals and deferred income	8,834	13,574
	<u>8,834</u>	<u>13,574</u>

12. GENERAL FUND

	2009	2008
	£	£
At start of year	(122,824)	(385,386)
Recurrent grant from Department of Education credited	376,366	353,293
Capital funding from Department of Education	995	963
Amount transferred from Operating Cost Statement	(376,277)	(374,694)
Actuarial (loss) gain	(263,476)	283,000
At end of year	<u>(385,216)</u>	<u>(122,824)</u>
Analysed as relating to:		
Pension liability	(387,000)	(119,000)
Other	1,784	(3,824)
Total	<u>(385,216)</u>	<u>(122,824)</u>

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

	2009	2008
	£	£
Net operating cost for the year	(371,121)	(368,572)
<i>Adjust for:</i>		
Depreciation (note 9)	860	848
Notional credits (note 6)	(5,156)	(6,122)
Decrease/(Increase) in prepayments & accrued	2720	(2,861)
(Decrease)/Increase in accruals and deferred	(4740)	9,096
Increase/(decrease) in pension liability	268,000	(268,000)
Actuarial(loss)/gain in respect of the pension scheme recognised through the Statement of Recognised Gains and Losses	(263,476)	283,000
<i>Net cash outflow from operating activities</i>	<u>(372,913)</u>	<u>(352,611)</u>

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

	2009	2008
	£	£
Cash at bank and in hand at start of year	829	147
Net cash inflow	3,453	682
Cash at bank and in hand at end of year	<u>4,282</u>	<u>829</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

	2009	2008
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 **	1,267	750
	1,267	750

* 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.

** Both the Postage Equipment and Photocopier leases expired in July/August 2008. Due to the amalgamation expected in December 2009 the decision was made to extend the lease until closure. Thus in 2009, the financial commitment owing is three quarters.

16. EMPLOYEE BENEFIT OBLIGATIONS**(i) The amounts recognised in the balance sheet are as follows:-**

	31.03.09	31.03.08
	£	£
Fair value of employer assets	1,086,000	1,372,000
Present value of funded liabilities	(1,473,000)	(1,491,000)
Net underfunding in funded plan	<u>(387,000)</u>	<u>(119,000)</u>
Present value of unfunded obligations	-	-
Unrecognised past service cost	-	-
Net liability	<u>(387,000)</u>	<u>(119,000)</u>
	=====	=====

(ii) The amounts recognised in the Operating Cost Statement are as follows:-

	31.03.09		31.03.08	
	£	% of payroll	£	% of payroll
Current service cost	37,000	16.3%	48,260	21.8%
Interest cost	104,000	45.4%	98,000	44.5%
Expected return on employer assets	(102,000)	(44.5%)	(102,000)	(46.4%)
Finance Charge	<u>2,000</u>		<u>(4,000)</u>	
	39,000	17.2%	44,260	20.0%
	=====		=====	
Actual return on plan assets	(323,000)		(51,000)	
	=====		=====	

(iii) Reconciliation of deferred benefit obligation

	31.03.09	31.03.08
	£	£
Opening deferred benefit obligation	1,491,000	1,795,000
Current service cost	37,000	48,000
Interest cost	104,000	98,000
Contributions by members	14,000	13,000
Actuarial gains	(166,000)	(446,000)
Benefits paid	(7,000)	(17,000)
Closing deferred benefit obligation	<u>1,473,000</u>	<u>1,491,000</u>
	=====	=====

(iv) Reconciliation of fair value of employer assets

	31.03.09	31.03.08
	£	£
Opening fair value of employer assets	1,367,000	1,402,000
Expected return on assets	102,000	102,000
Contributions by members	14,000	13,000
Contributions by the employer	35,000	29,000
Actuarial losses	(425,000)	(162,000)
Benefits paid	(7,000)	(17,000)
Closing fair value of employer assets	<u>1,086,000</u>	<u>1,367,000</u>
	=====	=====

16. EMPLOYEE BENEFIT OBLIGATIONS (cont'd)**(v) Amount recognised in Statement of Recognised Gains and Losses**

	31.03.09	31.03.08
	£	£
Actuarial (losses) gains	(259,000)	283,000
	=====	=====
Cumulative actuarial (losses) gains	(228,000)	31,000
	=====	=====
Other loss recognised in respect of the pension scheme assets	(4,476)	-
	=====	=====

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

	31.03.09		31.03.08	
	£	%	£	%
Equities	793,000	73%	1,077,000	79%
Bonds	152,000	14%	158,000	12%
Property	76,000	7%	111,000	8%
Cash	65,000	6%	21,000	1%
	-----	-----	-----	-----
	1,086,000	100%	1,367,000	100%
	=====	=====	=====	=====

(vii) The principal actuarial assumptions used were:-

	31.03.09	31.03.08
	% pa	% pa
Price increase rate	3.1%	3.6%
Salary increase rate	4.6%	5.1%
Expected return on assets	6.5%	7.3%
Discount rate	6.9%	6.9%

(viii) Amounts for the current and previous four periods are as follows:-

	31.03.09	31.03.08	31.03.07	31.03.06	31.03.05
	£	£	£	£	£
Fair value of employer assets	1,086,000	1,367,000	1,402,000	1,300,000	-
Asset value of deferred benefit obligation	(1,473,000)	(1,491,000)	(1,795,000)	(1,400,000)	-
	-----	-----	-----	-----	-----
(Deficit) /surplus	(387,000)	(124,000)	(393,000)	100,000	-
Experience (losses)/gains on assets	(425,000)	(162,000)	(16,000)	187,000	-
Experience gains (losses) on liabilities	-	120,000	(1,000)	27,000	-

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 2008-2009 was to contain expenditure within the resource allocation approved by the Department.



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