



Equality Commission for
Northern Ireland

Equality for All

continuing progress in
a changing environment



**ANNUAL REPORT &
ACCOUNTS**

2006 - 2007

Equality Commission

FOR NORTHERN IRELAND



EQUALITY COMMISSION
FOR NORTHERN IRELAND

annual report and accounts

for the year ended
31 March 2007

Laid before the Northern Ireland Assembly
In accordance with paragraphs 5(3) & 7(4) of Schedule 8 to the Northern Ireland
Act 1998 by the Office of the First Minister and Deputy First Minister.

27 November 2007



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Powers and duties of the Equality Commission

The Equality Commission for Northern Ireland is an independent public body established by the Northern Ireland Act 1998. Relevant legislation provides that we must promote equality of opportunity and affirmative action, work towards the elimination of unlawful discrimination, keep relevant legislation under review, promote good relations between persons of different racial groups and oversee the effectiveness of statutory duties on public authorities.

Since our inception, we have aimed to fulfil these duties by working in partnership with key stakeholders to place equality at the heart of civic, economic and political life in Northern Ireland.

The main pieces of legislation from which we derive our duties and powers are:

Equal Pay Act (NI) 1970, as amended

Sex Discrimination (NI) Order 1976, as amended

Disability Discrimination Act 1995, as amended

Race Relations (NI) Order 1997, as amended

Fair Employment and Treatment (NI) Order 1998, as amended

Northern Ireland Act 1998

Equality (Disability etc) (NI) Order 2000

Employment Equality (Sexual Orientation) Regulations (NI) 2003

Special Educational Needs and Disability (NI) Order 2005, as amended

Disability Discrimination (NI) Order 2006

Employment Equality (Age) Regulations (NI) 2006

Equality Act (Sexual Orientation) Regulations (NI) 2006



the commission's vision and mission statements

Vision

Equality for all

The Equality Commission has the vision of Northern Ireland as a shared, integrated and inclusive place, a society where difference is respected and valued, based on equality and fairness for the entire community.

Mission

To advance equality, promote equality of opportunity, encourage good relations and challenge discrimination through promotion, advice and enforcement.



Equality Commission for Northern Ireland

Castle Buildings
Stormont
BELFAST
BT4 3SR

First Minister and Deputy First Minister.

I have pleasure in submitting to you the eighth annual report of the Equality Commission for Northern Ireland, covering the period 1 April 2006 to 31 March 2007. The report demonstrates both the breadth and depth of the Commission's responsibilities and the extent to which they have been successfully discharged.

On behalf of the Commission, I would like to express our appreciation of the assistance given to the Commission by officials of the OFMDFM and the NIO.

Yours sincerely

BOB COLLINS
Chief Commissioner





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Chief Commissioner's Foreword

Without doubt, the overwhelming sense of the year under review will be the changing political context that saw the St Andrews Agreement and the elections that followed. Very few will have escaped the mood of hope and enthusiasm that flowed from these events and that culminated in the restoration of devolved government and the formation of the new Executive. This manifestation of political leadership in action will have significant implications for the lives of all who live in Northern Ireland and, in that context, will touch upon all the issues with which the Equality Commission is charged to engage. Future reports will chart the precise course of these changes but the foundation stones merit notice in this one.

A significant element in the responsibilities of the Commission is its custodianship role in respect of Section 75 of the Northern Ireland Act 1998. Much effort was given to the review of the effectiveness of this part of the statute in the course of the year. Extended reflections within the Commission by staff and by Commissioners, discussions with a wide range of interested parties, consultation with the public and the commissioning of six important pieces of independent research all combined to offer the basis for a comprehensive review that was completed, as intended, within the year 2006/07. The publication of the review and the response to it will be considered at another time but it is important to note here the completion of this important task and the contribution that will have been made to realising the full effect of what the statute had in mind when this innovative piece of legislation was enacted. I wish to note also my appreciation for the commitment of the Deputy Chief Commissioner, Anne O'Reilly, who chaired the group of Commissioners and staff who steered this project to completion.

The remit of the Commission was significantly extended with the coming into force of new regulations in respect of Age in the areas of employment and training and in respect of Sexual Orientation in the area of the provision of goods, facilities and services. The Commission undertook full programmes of information, promotion and guidance in respect of these developments.

Every extension of legal protection from unfair discrimination is to be welcomed as creating a greater environment of recognition and acceptance of the diversity that characterises every society. Not every change is universally welcomed and, sometimes, apprehensions may exist that the introduction of one protection may



extinguish or limit another. Thus it was that the introduction of the Sexual Orientation regulations was the subject of political challenge in the House of Lords and of legal challenge thereafter in the courts of Northern Ireland. The Commission decided to intervene in the legal proceedings in view of the obligations that had been entrusted to it by the new law and so as to retain clarity as to the legal context within which it was offering advice and being asked to provide assistance. The Commission was fully conscious of its obligations in respect of religious belief but its considered view was that enactment of the regulations would not diminish any person's right to freedom of belief nor would they inhibit the right to the practice of religion. The outworking of the legal action falls outside the period under review.

Further extension of equality legislation was reflected in the amendment of the Disability Discrimination Order whose provisions included new duties on all designated public authorities. The Commission issued guidance in respect of these duties and advised all public authorities of their obligation to produce Disability Action Plans by mid 2007. Much preparatory work was being undertaken both by the Commission and public authorities in advance of this deadline.

The Commission completed consultation on a Code of Practice on Racial Equality in Housing. This Code, the fruit of considerable endeavour, is an important statement of the importance of securing equality of opportunity for all and will be of practical benefit to all who provide housing and accommodation as well as to long standing and new residents of Northern Ireland and to those who are concerned with their welfare.

Work began on commissioning a study of the phenomenon of undergraduate migration which sees considerable numbers of students, disproportionately Protestant, leave Northern Ireland for their third level studies. A significant number do not return. This research will deepen our understanding of this issue and point the way for further policy consideration.

This is an issue that has potential impact on participation in employment and is of particular concern to the Commission in the context of its work on fair employment where changing environments and emerging contexts require careful attention. The Commission continues to monitor carefully the balance in the composition of its own staff and to identify ways in which the current imbalance might be overcome. As I noted last year, this is not the work of a single year; it will take time.



No review of the last year would be complete without recording our sadness at the loss in March 2007 of our colleague Professor Eithne McLaughlin. Eithne had become a member of the Commission in 2005 but had long been involved with its work and with issues of equality. In her all too short time with us she illuminated many of our discussions with her intelligence, experience and penetrating insights. Her committed engagement as a Commissioner was exemplary. Our thoughts were and are with her family who have most keenly felt her loss.

Finally, I wish to take the opportunity to express my thanks and appreciation to my fellow Commissioners, to the Chief Executive, Evelyn Collins, and to all the staff for their commitment and diligence. Similarly, I offer thanks to the Northern Ireland Office and to the Office of the First Minister and Deputy First Minister for their interest and assistance in the Commission's work.

Bob Collins
Chief Commissioner





Chief Executive's Introduction and Management Statement

The Equality Commission for Northern Ireland is an executive non-departmental public body (NDPB) sponsored by the Office of the First Minister and Deputy First Minister. The Commission, established on 1 October 1999 under the Northern Ireland Act 1998, assumed, along with the responsibilities for statutory equality duties and disability matters, the duties and responsibilities of four former organisations:

- The Commission for Racial Equality for Northern Ireland;
- The Equal Opportunities Commission for Northern Ireland;
- The Fair Employment Commission for Northern Ireland; and
- The Northern Ireland Disability Council.

Since October 1999, additional duties and responsibilities with respect to age, disability, sexual orientation and special educational needs have also been assumed.

The Equality Commission's annual report and accounts are prepared in accordance with Schedule 8 of the Northern Ireland Act 1998 and the Transfer of Rights and Liabilities (Northern Ireland) Order 1999 and in a form directed by the Office of the First Minister and Deputy First Minister with the approval of the Department of Finance and Personnel.

Important Events Occurring After the Year End

There have been no significant events since the year-end which would affect this report and the accounts.

Performance against Targets

I am pleased to present the Annual Report as a record of our achievements in another busy and productive year. The review of the year and the description of



our performance against business objectives demonstrate both the range of the Commission's work and the extent to which we are meeting our statutory remit. Of the 68 targets identified in the 2006-07 Business Plan, 45 were fully met, 18 partly met and five not met.

Some particular highlights through the year included:

- the introduction of new age and sexual orientation legislation and the Commission work on promoting awareness and developing guidance,
- the publicising of the new positive duties on public authorities regarding disabled people, introduced by the Disability Discrimination (Northern Ireland) Order 2006,
- our work on Section 75 of the Northern Ireland Act 1998 particularly our review of its effectiveness,
- the development and launch of our new website and the positive response to it,
- the development of our new Corporate Plan and commitment to continuous improvement and performance reporting.

A more detailed report of our performance targets is set out in the next section.

Results for the Year

The results for the Commission for the period are set out in detail in our Financial Statements at page 51. The Financial Reporting Manual 2006-07 (FReM) requires NDPBs to treat grant in aid as financing rather than, as previously, income. This makes it somewhat more difficult readily to understand the financial performance of public bodies. For the Commission, the expenditure charged to the Income and Expenditure account in this period was £6,998,798 (2005/06 restated £7,063,680).

During the year we received capital and revenue grants of £7,130,000 from OFMDFM, of which £55,827 was spent on capital and the balance credited to the General Reserve. As stated above £6,998,798 was released during the year for operational expenditure.



Business Review

In the year to 31 March 2007, the most significant development in the work of the Commission was the considerable extension of the Commission's remit into new areas of discrimination such as age discrimination in employment and training and discrimination on grounds of sexual orientation in relation to goods, facilities and services.

Likely Future Developments

In 2007-08 we anticipate continued legislative change in the area of disability discrimination and additional challenges resulting from the implementation of the new age and sexual orientation provisions. The return to a devolved administration will provide a new context and new challenges and progress on the development of single equality legislation by OFMDFM should be accelerated.

Research and Development

The Equality Commission for Northern Ireland does not engage in any research and development activities as defined by Generally Accepted Accounting Practice (GAAP).

Charitable Donations

The Commission made no charitable donations during the period.

Pension Liabilities

Staff Pension Liabilities are borne by the Principal Civil Service Pension Scheme (NI) – see notes 1 and 3 to the Accounts, and the Commission's Remuneration Report, which follows later in this Annual Report.

Payment to Suppliers

The Commission is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payment Practice



Code. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later. During the period 93.3% of bills were paid within this standard.

Disabled Persons

The Equality Commission seeks to follow best practice guidance, as set out in Disability Codes of Practice, on employment and the provision of services to disabled persons.

Equality of Opportunity

The Commission is committed to the provision of equality of opportunity and fair participation to all persons regardless of sex, marital status, religious belief, political affiliation/opinion, age, family status, ethnic or racial background, sexual orientation, disability, nationality or trade union membership. The Commission will, in all its actions, conform to both the letter and the spirit of the relevant equality legislation.

The Commission will provide equality of opportunity to all persons irrespective of whether or not there are legislative provisions in place.

Employee Involvement

The Commission encourages widespread consultation and exchange of information at all levels within the Commission. This is effected through staff briefings and the involvement of staff representatives on a Joint Consultative and Negotiating Committee.

Corporate Governance Arrangements

The Equality Commission for Northern Ireland is an executive Non-Departmental Public Body (NDPB) established as a body corporate by Section 73 of the Northern Ireland Act 1998. The Commission's primary source of income is grant-in-aid provided by the Office of the First and Deputy First Minister (OFMDFM).



Statutory authority for the payment of grant-in-aid is contained in Schedule 8 to the Northern Ireland Act 1998.

Relationships between the Commission and the Ministers and their Department are governed by the “arm’s length” principle, wherein the primary role of Ministers is to set the Commission’s legal and financial framework including the structure of its funding and governance. These responsibilities are discharged on a day-to-day basis on the Ministers’ behalf by the Sponsoring Division. Within this framework, it is the role of the Commission to determine its equality policies and activities in keeping with its statutory responsibilities and the requirement of Government policy.

The Commission has agreed a Management Statement with OFMDFM. This sets out the relationship between us and defines the financial and administrative framework within which the Commission operates. It also sets out the conditions on which grant-in-aid is paid to the Commission and the delegations within which the Commission operates. The Management Statement has been approved by Ministers responsible for OFMDFM. It is supplemented by a Financial Memorandum agreed with the Commission and approved by OFMDFM and the Department of Finance and Personnel.

The Commission seeks to ensure high standards of corporate governance and levels of compliance with the values of public service. It has an Audit and Risk Committee which oversees internal and external audit arrangements and ensures that they are conducted in accordance with the objectives and standards of the Government Internal Audit Manual. The Committee also oversees the Commission’s arrangements for risk management. During this year under review, Commissioners and staff received training on risk management and on corporate governance.



Commission Members

The following served as members of the Commission during the reporting period:

Bob Collins	Chief Commissioner
Anne O'Reilly	Deputy Chief Commissioner
Annie Campbell	
Brian Carlin	
Tony Carlin	
Eileen Evason	
Una Gillespie	
Tom Haverty	
Bryan Johnston	
James Knox	
Thomas McGrath	
Eithne McLaughlin (to 26 March 2007)	
Michael Rea	
Audrey Simpson	
Daphne Trimble	
Elaine Waterson	
Derick Wilson	
Paul Yam	

Commissioners' Interests

An up to date register of Commissioners' interests is maintained by the Chief Executive as Accounting Officer and is available for inspection at the Commission's offices in Equality House, 7-9 Shaftesbury Square, Belfast BT2 7DP.



Statement of Disclosure of Information to Auditors

So far as each of the Commissioners in office at the date of approval of these financial statements is aware:

there is no relevant audit information of which the Commission's auditors are unaware; and

they have taken all steps that they ought to have taken as Commissioners in order to make themselves aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

Commission Offices

Equality House
7-9 Shaftesbury Square
Belfast
BT2 7DP

Auditor

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Signed by:

Evelyn Collins
Chief Executive and Accounting Officer





Performance against Targets

In the foreword to our Corporate Plan 2006-09, we set ourselves the key challenge of building the case for equality. In the three year period covered by the plan, the Commission will endeavour to:

- reach out to everybody with the convincing message that equality is the concern of all
- use its role as an independent body to speak out and to bring the message of equality to the entire community
- present the range and breadth of the equality agenda
- look beyond the headline data to explore the public policy considerations that arise in the search for equality of opportunity
- set out clear priorities in its programme of work
- revisit those priorities regularly to ensure that they continue to reflect the current needs.

To provide a framework for this we identified four strategic priority areas:

- **Making the case for equality**
- **Building access to equality provisions and protections**
- **Delivering equality, and**
- **Ensuring high quality organisational performance.**

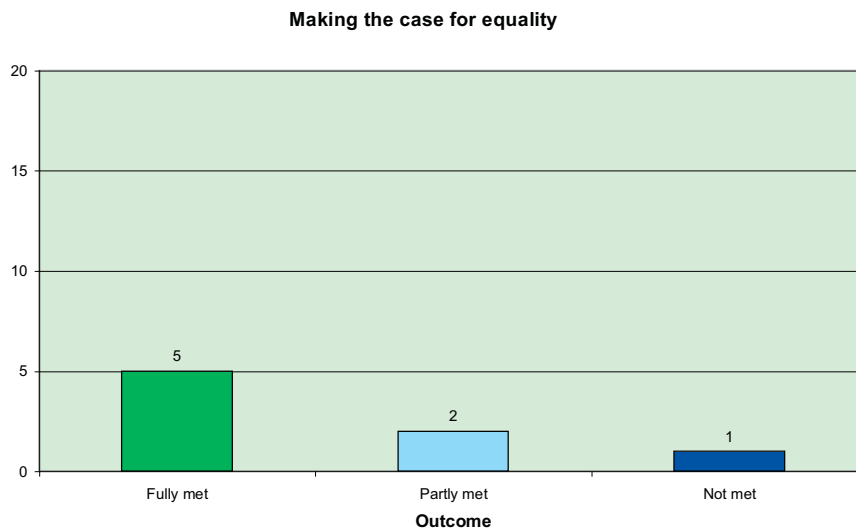
In this, our year one business plan, we specified the key actions we would undertake in 2006-07 and responsibility for the delivery of these actions.

These actions were drawn from our strategic priority areas and used to guide the Divisional plans and team and individual work programmes which are all part of our overall approach to business planning.

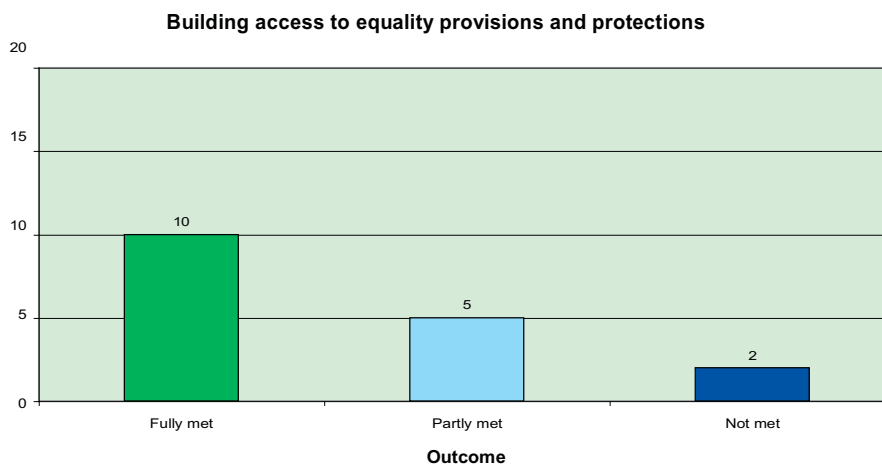


Below, we summarise the outcome against those strategic action targets set in our 2006-07 Business Plan in each of the four strategic priority areas. Overall in 2006-07, of the 68 targets outlined in our Plan, 45 (66%) were fully met, 18 (26%) partly met and five (7%) unmet.

Making the case for equality

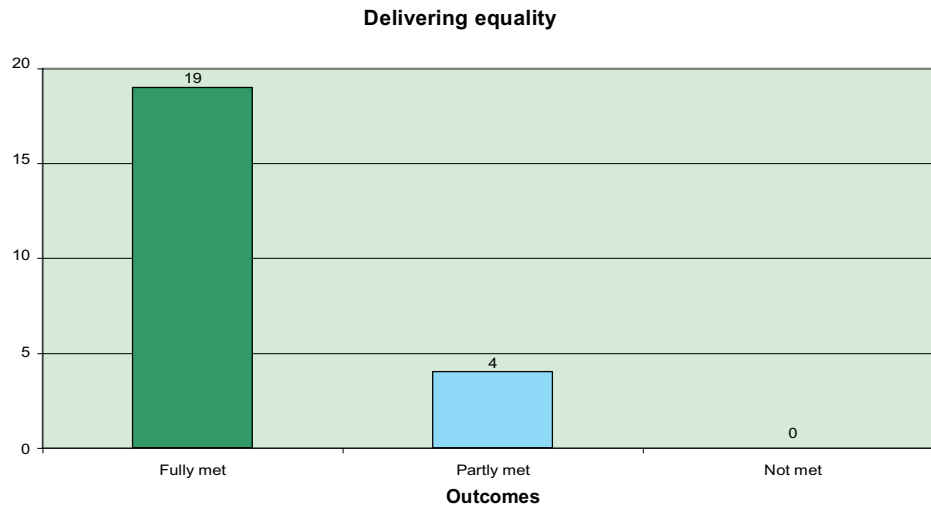


Building access to equality provisions and protections

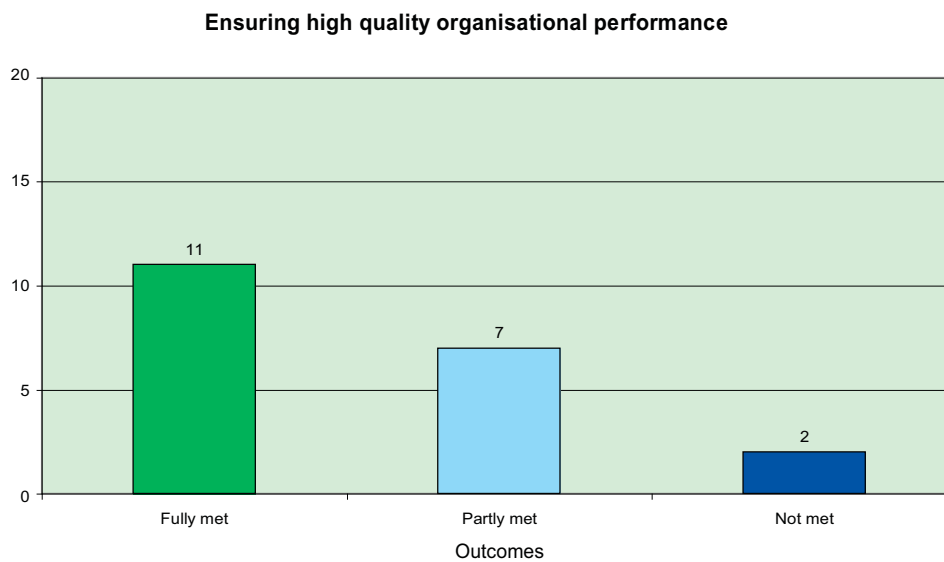




Delivering equality



Ensuring high quality organisational performance



Further information on our performance is contained in the following section.





1. Making the case for equality

To promote a greater understanding of and support for equality in Northern Ireland

In making the case for equality, the dual aims of the Commission are promoting greater understanding of our work and developing our engagement with key stakeholders. The main focus for the former was raising awareness of the introduction of new age legislation and extensions to the legislative framework on the grounds of disability and sexual orientation. In relation to our stakeholder engagement, we have introduced systems and processes, both to refine and to evaluate our overall approach.

Highlights of the Year

- Delivery of major campaigns advertising the introduction of new legislation on age and sexual orientation.
- Delivery of a programme of activities focussed on sex equality, including successful art competition for schools, themed on sex-stereotyping.
- Successful delivery of two major race campaigns, including a widely publicised film festival, community drama initiative and poetry competition.
- Development of new stakeholder engagement and political liaison strategies to guide our work over the coming years.
- Improvements in our approach to internal and external communications.

Unmet target

Work on undertaking brand development for the Commission will be undertaken in 2007-08.





2. Building access to equality provisions and protections

To have worked for an improved legislative framework.

To ensure effective implementation of new and existing legislation.

To promote greater access to equality provisions and protections through supporting and working with others.

Ensure that equality and good relations are at the heart of public policy making and service delivery.

This year the Commission demonstrated its commitment to the implementation of a more effective equality framework through contributing to legislative reform generally, for example on Sexual Orientation Regulations. Guidance materials on the new age legislation were produced and considerable work undertaken on preparing materials for the legislative changes in sexual orientation and disability.

Ensuring the effectiveness and centrality of the duties established by Section 75 of the Northern Ireland Act 1998 remains at the heart of our work. A focus for activity this year was our Section 75 effectiveness review, which was completed and will guide our work over the next few years.

Highlights of the Year

- Development and launch of employer and employee guidance on new age provisions and a related media campaign.
- Section 75 Effectiveness Review completed.
- Development of range of complainant support materials and translation into seven languages and alternative formats and introduction of new website sections on complainant assistance.



- Publication of review of case law settlements and decisions.
- Publication of Good Relations audit.

Unmet targets

Despite considerable efforts, following a second public tendering exercise, we were not able to deliver on our target of having a conciliation service for goods and services complaints in the area of disability discrimination and special educational needs and disability matters (SENDO) in place by the year end. Central Procurement Directorate (CPD) has advised that a further tendering exercise should be undertaken and the project has been included in the 2007-08 Business Plan.

The Commission also recognised the need to be able to provide more evidence of the impact we have on the development of public policy. This is being addressed in our Business Plan for 2007-08.



3. Delivering equality

Delivering equality through advisory work

Delivering equality through ensuring compliance

Delivering equality through effective enforcement

The Commission's goal is to maximise legislative compliance and the impact of equality legislation through a strategic use of our powers. As a statutory enforcement agency, we are committed to the strategic and effective use of all the powers at our disposal to effect change.

The advisory and enforcement work we undertake, whether on behalf of employers, service providers or complainants, comprises many of our core activities.

Highlights of the Year

- Launch of new enquiry line, providing advice and information to all general enquirers.
- Developing and launch of new website in January 2007. In first two months, 1.3 million hits and 1167 visitor sessions per day recorded.
- Greater focus placed on small business sector and programme of training and events initiated. More than 200 training and awareness raising events undertaken during 2006-07.
- Maintaining levels of compliance with Fair Employment and Treatment employer monitoring provisions at above 95%.
- Completing annual report on progress in implementing Section 75 of the Northern Ireland Act for 2004-05 and receipt of the first statutory five year review of equality schemes.



- Guidance on the new positive DDO duty completed and being used by public authorities.
- Revised policy on complainant assistance agreed and made public. Provision of advice to 3298 potential complainants and all new strategic cases supported in line with legal assistance strategy and allocated budget.
- Of the 13 cases heard at Tribunal or in Court this year, seven were upheld and six dismissed. In addition, settlements were reached in 58 cases.
- Compensation of £417,100 was obtained in settlements and awards and remedial clauses agreed in all settlements.

Section 75

Schedule 9 of the Northern Ireland Act 1998 places a number of duties on the Equality Commission with respect of enforcement of Section 75:

- to keep under review the effectiveness of the legislation
- to offer advice to public authorities and others in connection with Section 75
- to approve equality schemes and request any public authority to make a revised scheme
- to consider complaints received regarding Section 75, and to investigate where appropriate.

The Commission took the following steps in furtherance of these duties during the year under review:

- initiated and completed a strategic review of the effectiveness of Section 75. A report outlining conclusions and recommendations was published in May 2007;
- prepared four guidance documents for publication; guidance for public authorities on monitoring for Section 75, guidance on meeting their duties on good relations, guidance on equality consideration in public procurement and guidance on consulting with children and young people;



- advice regarding Section 75 compliance was provided directly to individual organisations and to members of the public. This included written advice to 74 potential complainants, and a written response to 36 public authorities regarding equality impact assessments;
- finalised two complaints of failure to comply with approved Equality Schemes. Considered 13 further complaints and authorised 1 further investigation under Paragraph 10. The Commission also initiated an investigation under Paragraph 11 where it believed that the Public Authority concerned may have failed to comply with its approved Equality Scheme;
- approved 25 equality schemes, and did not request that any equality schemes be revised;
- supported the work of public authorities to review their approved Equality Schemes as part of the Five Year Review process and produced a report setting out progress by public authorities in meeting their duties in the previous business year, 2005-6.





4. Ensuring high quality organisational performance

Make effective, efficient and strategic use of our resources and demonstrate value for money to the public purse through improvements in business planning, resource management, budgetary control and enhanced corporate governance and to acquire any additional resources necessary to deliver our business objectives.

Continuously improve business performance through effective use of business assurance, staff development and performance management

Deliver effective organisational performance through improvements in communications and knowledge management

Continuous improvement is the key theme of our overall business development, no less so in the case of organisational performance. Over the course of our 2006-09 Corporate Plan we have committed ourselves to improvements in key areas such as business planning, resource management, staff development and knowledge management. Our challenge to ourselves is a considerable one and this year we can demonstrate evidence that progress is being made.

Highlights of the Year

- New Corporate Plan agreed and published.
- Achievement of Charter Mark accreditation for Employment Development Division.
- Achievement of ISO 9001 by Corporate Services Division.
- FAST Gold standard achieved by Information Technology Team and Lexcel accreditation maintained by Strategic Enforcement Division.



- Preparations for Investor in People assessment well underway.
- Additional funding to deliver new responsibilities for age and sexual orientation discrimination obtained.
- Increased effectiveness in budgetary profiling, reporting and control demonstrated.
- Commission's affirmative action programme reviewed and redrafted.
- Completion of extensive programme of internal audit and evidence of improvements in regulatory compliance, particularly Health and Safety.
- New complaints standards and complaints procedures developed and published.
- Significant improvements in internal communications following establishment of new systems and structure.

Unmet targets

We are behind schedule on agreeing a new Financial Memorandum and Management Statement with our sponsoring Department. The Commission has responded to a draft Financial Memorandum prepared by OFMDFM and the new Memorandum should be operational early in 2007-08. A revised Management Statement will follow.

Rather than devising a new appraisal scheme our existing scheme will be revised. This will be undertaken in 2007-08.

Evelyn Collins
Chief Executive



Remuneration Report (Audited)

Remuneration Policy

The remuneration of all staff of the Commission follows that of the Northern Ireland Civil Service and is entirely performance based.

The remuneration of Commission members is determined by the Secretary of State for Northern Ireland.

Service Contracts

Staff appointments are made in accordance with the Commission's Recruitment Policy, which requires all appointments to be on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated, staff covered by this report hold appointments which are open-ended until they retire. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook.

Commission members are appointed by the Secretary of State for Northern Ireland following open competition.



Salary and pension entitlements

The following section provide details of the remuneration and pension interests of the Commissioners, Chief Executive and other senior officials of the Commission.

	2006-07	2005-06
Official	Salary £'000s	Salary £'000s
Evelyn Collins Chief Executive	75-80	70-75
Antoinette McKeown Head of Policy & Development	55-60	50-55
Keith Brown Head of Corporate Services	50-55	50-55
Eileen Lavery Head of Strategic Enforcement	50-55	50-55
Bob Collins Chief Commissioner	75-80	40-45
Anne O'Reilly Deputy Chief Commissioner	5-10	5-10
Annie Campbell	0-5	0-5
Brian Carlin	0-5	0-5
Tony Carlin	0-5	0-5
Eileen Evason	0-5	0-5
Una Gillespie	0-5	0-5
Tom Haverty	0-5	0-5
Bryan Johnston	0-5	0-5
James Knox	0-5	0-5
Thomas McGrath	0-5	0-5
Eithne McLaughlin	0-5	0-5
Michael Rea	0-5	0-5
Audrey Simpson	0-5	0-5
Daphne Trimble	0-5	0-5
Elaine Waterson	0-5	0-5
Derick Wilson	0-5	0-5
Paul Yam	0-5	0-5



“Salary” includes gross salary, performance pay or bonuses, overtime, any allowance such as London Weighting Allowances to the extent that it is subject to UK taxation. This report is based on payments made by the Commission and thus recorded in these accounts.

The Chief Executive’s salary includes a performance related non-consolidated bonus but she does not receive any taxable benefits in kind. The Chief Executive is a member of the Principal Civil Service Pension Scheme (NI) on the same basis as all other members of staff.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Inland Revenue as a taxable emolument.

No benefits in kind were paid to staff during this period.



Civil Service Pensions

	Total accrued pension at age of 60 at 31/3/07 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/03/07	CETV at 31/03/06	Real increase in CETV
	£k	£k	£k	£k	£k
Commissioners					
Bob Collins (Chief Commissioner)	0-5 no automatic lump sum	0-2.5 no automatic lump sum	41	10	27
General M'ment					
E Collins (Chief Executive)	20-25 plus 60-65 lump sum	0-5 plus 0-2.5 lump sum	359	287	1
A McKeown (Head of Policy & Development)	5-10 plus 20-25 lump sum	0-2.5 plus 0-2.5 lump sum	96	75	5
K Brown (Head of Corporate Services)	10-15 plus 30-35 lump sum	0-2.5 plus 0-2.5 lump sum	281	263	4
E Lavery (Head of Strategic Enforcement)	15-20 plus 55-60 lump sum	0-2.5 plus 0-2.5 lump sum	342	263	8



J McKee (Head of Employment Development)	5-10 plus 20-25 lump sum	0-2.5 plus 0-2.5 lump sum	120	105	6
F Devlin (Head of Promotion and Education)	0-5 no lump sum	0-2.5 no lump sum	8	1	6

Commissioners other than the Chief Commissioner do not receive any pension entitlements.

Pensions benefits are provided through the Northern Ireland Principal Civil Service Pension Scheme. From 1 October 2002, civil servants may be in one of three statutory based “final salary” defined benefit schemes (classic, premium and classic plus). The schemes are unfunded, with benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality “money purchase” stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic, and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).



The accrued pension quoted is the pension a member is entitled to receive when they reach 60, or on immediately ceasing to be an active member of the scheme if they are already 60.

Further details about the civil service pension arrangements can be found at the web site www.civilservicepensions-ni.gov.uk.

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 the 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 CETV figures and, from 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. 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 takes account of 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.

Evelyn Collins
Accounting Officer





APPENDICES

1. Commission Members 2006 – 07
2. Audit and Risk Committee
3. Organisational Structure





APPENDIX ONE

Commission Members 2006 - 07

The following served as members of the Equality Commission during the period:

Bob Collins	Chief Commissioner
Anne O'Reilly	Deputy Chief Commissioner
Annie Campbell	
Brian Carlin	
Tony Carlin	
Eileen Evason	
Úna Gillespie	
Tom Haverty	
Bryan Johnston	
James Knox	
Thomas McGrath	
Eithne McLaughlin (to 26 March 2007)	
Michael Rea	
Audrey Simpson	
Daphne Trimble	
Elaine Waterson	
Derick Wilson	
Paul Yam	

Commissioners' Responsibilities

- to ensure the Commission fulfils its functions in accordance with its statutory remit as defined in legislation;
- to provide effective leadership for the staff of the Commission, define and develop the strategic direction and set challenging objectives;
- to act in a way that promotes high standards of public finance, including the promotion of regularity, propriety and value for money;
- to ensure that the Commission's activities are conducted in an efficient and effective manner;



- to ensure that strategies are developed for meeting the Commission's overall objectives in accordance with Government's policies and priorities and the wider context;
- to monitor the Commission's performance to ensure that it fully meets its aims, objectives and performance targets;
- to ensure that the Commission's control, regulation and monitoring of its activities ensure value for money within a framework of best practice, regularity and propriety;
- to oversee the corporate planning process;
- to appoint the Chief Executive and to ensure that his/her performance is regularly assessed against clear objectives and targets, and
- to appoint committees to assist it in discharging its duties from amongst its members.



APPENDIX TWO

Audit and Risk Committee

The following Commissioners served on the Commission's Audit and Risk Committee during 2006-07.

Brian Carlin (Chair)
Tony Carlin
James Knox
Anne O'Reilly
Daphne Trimble
Elaine Waterson

Audit and Risk Committee Terms of Reference

- (i) To review the Commission's internal and external financial statements and reports to ensure they reflect best practice.
- (ii) To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.
- (iii) To consider all relevant reports by the Comptroller and Auditor General or the appointed external auditor, including reports on the Commission's accounts, achievement of value for money and the response to management letters.
- (iv) To review the effectiveness of the Commission's internal control system established to ensure that the aims, objectives and key performance targets of the Commission are achieved in the most economic and effective manner.
- (v) To ensure that the Government's internal audit system meets, or exceeds, the standards specified in the Government Internal Audit Manual, complies in all other respects with these guidelines and meets agreed levels of service.
- (vi) To consider and advise on the Commission's annual and long-term audit programme.

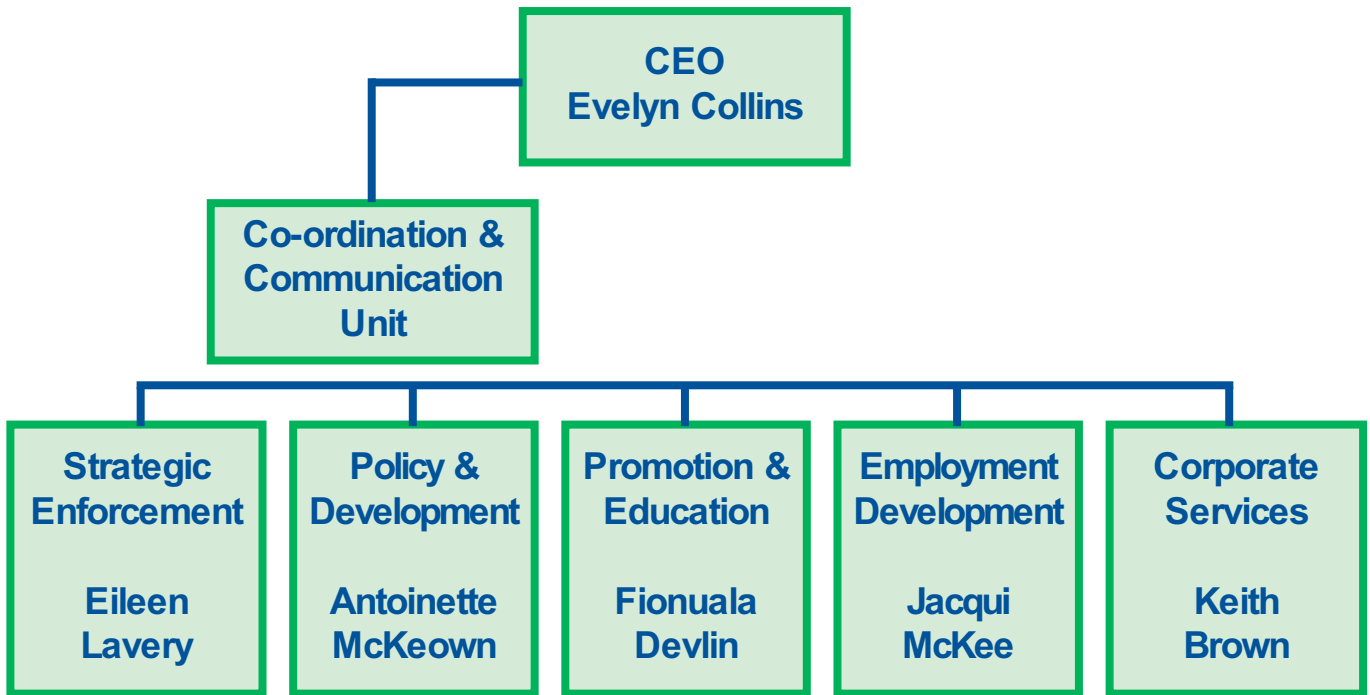


- (vii) To consider internal audit reports, including value for money reports and the arrangements for their implementation.
- (viii) To consider and monitor the implementation of the Commission's risk management strategy.
- (ix) To review the operation of the Commission's Code of Practice for Commissioners and Code of Practice for Staff.
- (x) To consider any other matters when requested to do so by the Commission.
- (xi) To report at least once a year to the Commission on the discharge of the above duties.



Appendix Three

Equality Commission Organisational Structure and staff composition



Religious and Gender composition of Equality Commission staff at 1 January 2007

MALE	FEMALE	TOTAL	PROTESTANT	ROMAN CATHOLIC	CANNOT BE DETERMINED	TOTAL
48	91	139	49	88	2	139
(34.5%)	(65.5%)		(35.3%)	(63.3%)	(1.4%)	

The Commission has an affirmative action plan in place, which was reviewed during the year under review. Further action, including a review of the Commission’s recruitment processes, survey of our equality environment and a programme of outreach with the Protestant community, particularly focused on schools, political groupings and Church associations, will be undertaken in 2007-08.





EQUALITY COMMISSION for NORTHERN IRELAND

Financial Statements

for the 12 months ended

31 March 2007



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Statement of Commission's and Chief Executive's Responsibilities

Under Paragraph 7(2)(a) of Schedule 8 of the Northern Ireland Act 1998, the Commission is required to prepare for each financial year a statement of accounts in the form and on the basis determined by the Office of the First Minister and Deputy First Minister, with the approval of the Department of Finance and Personnel. 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 Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Office of the First Minister and Deputy First Minister, 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 as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on an ongoing concern basis.



The Accounting Officer of the Office of the First Minister and Deputy First Minister has designated the Chief Executive of the Equality Commission for Northern Ireland as the Accounting Officer of the Commission. The Chief Executive's duties as Accounting Officer, including 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's Memorandum issued by the Department of Finance and Personnel and published in Government Accounting Northern Ireland.

Signed by:

Evelyn Collins
Chief Executive and Accounting Officer

on



Statement on Internal Control 2006-07

Scope of Responsibility

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

The relationship between the Commission and its sponsoring Department OFMDFM is set out in the Management Statement. The Management Statement defines the financial and administrative framework within which the Commission operates, sets out the conditions on which grant-in-aid is paid and the delegations within which the Commission operates. The Management Statement has been given ministerial approval and is supplemented by the Financial Memorandum agreed with the Commission and approved by the Department.

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 ongoing process designed to identify and prioritise the risks to the achievement of the Commission's 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 for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts, and accords with DFP guidance.



Capacity to handle risk

The Commission has appropriate procedures in place to ensure that it has identified its objectives and risks and determined a control strategy for its strategic risks. A corporate approach to risk, involving Commissioners, the Executive Team and other staff is taken. A risk management process manual has been prepared to clarify roles and responsibilities and to provide guidance to risk owners. Ownership has been allocated to the appropriate staff they have received training. Risk Registers are produced for each Division. Consideration of risk forms the basis of the strategic internal audit programme.

The risk and control framework

The Commission has ensured that procedures are in place for verifying that risk management and internal control are regularly reviewed and reported on. There has been a full risk and control assessment before reporting on the year ending 31 March 2007.

The Commission receives periodic reports concerning internal control. The appropriate steps are being taken to manage risks in significant areas of responsibility and monitor progress reports on key projects.

Corporate Risk is routinely reviewed by the Management Team and at each Audit and Risk Committee meeting and the corporate risk register updated as necessary.

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 executive managers within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports.

Commissioners have individual and collective responsibility for ensuring that the Commission fulfils its functions in accordance with its statutory remit and that its control, regulation and monitoring of its activities ensure value for money within a framework of best practice, regularity and propriety.



The Commission has an Audit and Risk Committee, which oversees internal audit arrangements and ensures that they are conducted in accordance with the objectives and standards set out in the Government Internal Audit Manual. Minutes of Audit and Risk Committee meetings are provided to the full Commission and the Chair of the Committee reports to Commission meetings at regular intervals.

The Commission has an internal audit service, provided by the Internal Audit Unit of PricewaterhouseCooper, which operates to standards defined in the Government Internal Audit Manual. They submit reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Commission's system of internal control together with recommendations for improvement.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit and Risk Committee and plans to address weaknesses and ensure continuous improvement of the system are in place. The Commission's Internal Audit gave a partial assurance for the year.

During the course of the year improvements were made to budgetary control and reporting arrangements, business continuity planning and procedures for the Commission's regulatory compliance. To support and help embed its Fraud Policy and procedure, fraud awareness training was provided to all staff. An issue relating to the Commission's vires with regard to support for corporate bodies, was raised during the course of the year. Legal advices were obtained and, as a consequence, the practice was reviewed and discontinued.

In the incoming year further improvements will be made to financial reporting and budgetary management, to procurement systems and procedures and to the Commission's approach to target setting and performance reporting.

Signed by

Evelyn Collins
Chief Executive and Accounting Officer

on





Equality Commission for Northern Ireland

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 Equality Commission for Northern Ireland for the year ended 31st March 2007 under the Northern Ireland Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow 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 Commission, the Chief Executive and auditor

The Commission and Chief Executive are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Northern Ireland Act 1998 and the Office of the First Minister and Deputy First Minister directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of 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 Northern Ireland Act 1998 and the Office of the First and Deputy First Minister directions made thereunder. I report to you whether, in my opinion, certain information given in the Annual Report, which comprises the Chief Executive's Introduction and Management Statement, Performance against Targets, Remuneration Report and Appendices, 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 Parliament and the financial transactions conform to the authorities which govern them.



In addition, I report to you if the Equality Commission for Northern Ireland 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 Equality Commission for Northern Ireland 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 Equality Commission for Northern Ireland 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. 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 opinion

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 Commission and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Equality Commission for Northern Ireland 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 Parliament 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



Audit Opinion

In my opinion:

the financial statements give a true and fair view, in accordance with the Northern Ireland Act 1998 and directions made thereunder by the Office of the First and Deputy First Minister, of the state of the Equality Commission for Northern Ireland affairs as at 31st March 2007 and of net expenditure for the financial year, 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 Northern Ireland Act 1998 and the Office of the First Minister and Deputy First Minister directions made thereunder; and

information given within the Annual Report, which comprises the Chief Executive's Introduction and Management Statement, Performance against Targets, Remuneration Report and Appendices, is consistent with the financial statements.

Audit Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament 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*

October 2007



INCOME AND EXPENDITURE ACCOUNT FOR 12 MONTHS TO 31ST MARCH 2007

	Notes	12 months to 31/03/07	12 months to 31/03/06 (restated)
		£	£
INCOME from activities	2	92,560	73,056
EXPENDITURE			
Staff salaries and Commissioners' fees	3	(4,261,157)	(3,943,255)
Operating costs	4	(1,780,203)	(1,952,554)
Other costs	5	(1,046,219)	(1,241,792)
Net expenditure		<u>(6,995,019)</u>	<u>(7,064,545)</u>
Reversal of Notional Cost of Capital	4	(3,779)	865
Net expenditure for financial year		<u>(6,998,798)</u>	<u>(7,063,680)</u>

All amounts above relate to continuing activities.

The notes on pages 66 to 81 form part of these accounts.



Balance Sheet as at 31st March 2007

	Notes	12 months to 31/03/07	12 months to 31/03/06 (restated)
		£	£
Fixed Assets			
Intangible Assets	6	8,069	4,775
Tangible Assets	6	238,151	314,512
		<u>246,220</u>	<u>319,287</u>
Current Assets			
Debtors & Prepayments	7	96,572	91,177
Cash at bank and in hand	8 & 13c	221,172	4,162
		<u>317,744</u>	<u>95,339</u>
Current Liabilities			
Amounts falling due within 1 year	9	(256,361)	(251,467)
Net Current Assets/(Liabilities)		<u>61,383</u>	<u>(156,128)</u>
Total Assets less Current Liabilities		307,603	163,159
Provisions	10	(344,420)	(342,271)
		<u>(36,817)</u>	<u>(179,112)</u>
Represented by;			
General Reserve	11	(47,910)	(179,112)
Revaluation Reserve	12	11,093	0
		<u>(36,817)</u>	<u>(179,112)</u>

The notes on pages 66 to 81 form part of these accounts.

The financial statements on pages 62 to 81 were approved by the Commission and signed on their behalf by

Evelyn Collins

Chief Executive and Accounting Officer

on



Cash Flow Statement

For 12 months to 31st March 2007

	Notes	12 months to 31/03/07	12 months to 31/03/06 (restated)
	£		£
Net cash in/(out)flow from operating activities	13a	(6,857,163)	(6,872,545)
Purchase of fixed assets	6	(55,827)	(120,817)
Financing	13b	7,130,000	6,656,000
Increase/(Decrease) in Cash		<u>217,010</u>	<u>(337,362)</u>

The notes on pages 66 to 81 form part of these accounts.



Statement of Total Recognised Gains and Losses For 12 months ended 31st March 2007

	Notes	12 months to 31/03/07	12 months to 31/03/06
		£	£
Gain/(Loss) on revaluation	6	11,093	Nil
Recognised gains/(losses) for the period		<u>11,093</u>	<u>Nil</u>

The notes on pages 66 to 81 form part of these accounts.



Notes to the Accounts

For the 12 months to 31st March 2007

1. Statement of Accounting Policies

1.1 These financial statements have been prepared in accordance with paragraph 7(2) (a) of the Northern Ireland Act 1998 and the 2006-07 Government Financial Reporting Manual (FRoM) issued by the Department of Finance and Personnel for Northern Ireland. The accounting policies contained in the FRoM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where FRoM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The Commission's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

These accounts have been prepared under the historical cost convention modified by the revaluation of tangible fixed assets.

1.2 Change of accounting policy

With effect from the 2006-07 reporting period the FRoM requires non-departmental public bodies (NDPBs) to account for grants and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change in accounting policies from previous periods when such items were regarded as income. Note, there is no impact on the net liability position of the Commission as a result of this change in policy.

	At 31 March 2006 (As previously stated)	Impact of adopting new policy	At 31 March 2006 (Re-stated)
Net expenditure	(386,552)	(6,677,128)	(7,063,680)
General reserve	(498,399)	319,287	179,112
Capital grant reserve	319,287	(319,287)	0



Notes to the Accounts (continued)

	At 31 March 2007 (without applying new policy)	Impact of adopting new policy	At 31 March 2007 (applying new policy)
Net Expenditure	215,362	(7,214,160)	(6,998,798)
General reserve	(283,037)	235,127	(47,910)
Revaluation reserve	11,093	0	11,093
Capital grant Reserve	235,127	(235,127)	0

1.3 Grant in Aid

Grant in Aid received used to finance activities and expenditure which support the statutory and other objectives of the Commission are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party. Grant relating to capital expenditure is credited to a government grant reserve. It is released to expenditure over the useful life of the asset it has been used to acquire and an equal amount transferred from the government grant reserve is released to income.

1.4 Fixed Assets

The fixed asset additions are fully funded by the Office of the First Minister and Deputy First Minister.

Tangible fixed assets have been valued at the historic cost revalued by indices published by the National Statistics Office.

A capitalisation threshold of £500 is applied.

Depreciation is provided on non-current assets at rates calculated to write off the cost of each asset over its expected life with rates of depreciation from 10.0% p.a. to 33.3% p.a.

1.5 Pension Costs

Staff have the opportunity to join the Principal Civil Service Pension Scheme (NI). The PCSPS (NI) is an unfunded defined benefit scheme which produces its own resource accounts, but the Commission is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31st March 2003 and these details are available in the PCSPS (NI) resource accounts.



Notes to the Accounts (continued)

For 2006/07 employer contributions of £548,015 (£496,549 in 2006) were payable to the PCSPS (NI) at one of four rates of pensionable pay based on salary bands. These rates were increased on 1st April 2005 as a result of the latest actuarial valuation to between 16.5% and 23.5%. The contribution rates reflect benefits as they are accrued not when the costs are actually incurred and reflect past experience of the scheme.

1.6 Value Added Tax

The Commission does not have any income which is subject to output VAT. Accordingly the Commission is not VAT registered and cannot recover any input tax.

1.7 Provisions

The Commission makes provisions for liabilities and charges where, at the balance sheet date, a legal or constructive liability exists (i.e. a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made. Where the time value of money is material, the provision is discounted to its present value using a standard Government discount rate which currently stands at 3.5%.

1.8 Notional Costs

The income and expenditure account includes the notional cost of capital employed by the Commission, reflecting the cost of capital utilised by the Commission. It is calculated at the Government's standard rate of 3.5% in real terms on the average of total assets less liabilities used during the year.

1.9 Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation is charged to the profit and loss account on a straight line basis over the



Notes to the Accounts (continued)

shorter of the lease terms and the useful lives of equivalent owned assets. Lease payments are treated as consisting of capital and interest elements and the interest is charged to revenue in proportion to the reducing capital element outstanding. Rentals under operating leases are charged to revenue as incurred.

1.10 Investments

The Commission does not undertake any investment activities.

1.11 Stocks

The value of stocks of consumables is immaterial and the Commission does not attribute a value for stocks in the accounts.

1.12 Legal Fees

The Commission provides for legal work authorised but not yet undertaken.

2. Income from activities

	Notes	12 months to 31/03/07	12 months to 31/03/06
		£	£
Revenue Grants – E U		0	6,054
Recovered seconded staff costs		65,367	41,002
Service level agreement income		27,193	26,000
		<u>92,560</u>	<u>73,056</u>



Notes to the Accounts (continued)

3 Salaries (including Commissioners)

	Notes	12 months to 31/03/07	12 months to 31/03/06
		£	£
Commissioners' Fees		192,037	193,184
Staff Salaries		3,125,363	2,869,096
Social Security Costs		233,271	215,691
Pension Costs		532,598	488,761
Agency Costs/ERC		177,888	176,523
		<u>4,261,157</u>	<u>3,943,255</u>

3(a) Commissioners' Fees

Chief Commissioners' Fees		71,704	80,310
Social Security Costs		8,280	9,098
Pension Costs		15,416	14,807
		<u>95,400</u>	<u>104,215</u>
Other Commissioners' Fees		96,002	88,134
Social Security Costs		635	835
		<u>192,037</u>	<u>193,184</u>



3(b) Staff Costs

Under Schedule 8 para 5.(2) of the Northern Ireland Act 1998, the Commission is required to give details of how resources have been divided between the functions previously exercisable by the bodies dissolved at the time of its creation. With the Commission's ongoing development and the need to coordinate and integrate its work in the most efficient and effective manner possible, an increasing amount of the costs and staff numbers are categorized as "cross issue" rather than being specific to an individual area. The Commission has also been given responsibility for additional areas of legal protection from its inception. The description "Cross Issue/New Areas" in Tables 3(b) and 3(c) includes staff engaged in work on age, disability, gender, race, sexual orientation and fair employment issues. Though impacting on the presentation of staffing costs and full time equivalents it does not reflect a diminution of effort in any area of activity. Note 5 "Other Costs" provides a breakdown of the programme spend by issue.

Directorate	Salary	Social Security Costs	Pension Costs	Agency Costs	12 mths to 31/03/07	12mths to 31/03/06
	£	£	£	£	£	£
Cross Issue/ New Areas	1,831,534	132,910	312,335	82,439	2,359,218	939,429
Disability	Nil	Nil	Nil	Nil	Nil	319,080
Religion & Politics	198,151	12,557	33,880	21,928	266,516	570,332
Gender	Nil	Nil	Nil	Nil	Nil	189,336
Race	Nil	Nil	Nil	Nil	Nil	280,540
Statutory Duty	291,813	21,108	50,835	24,115	387,871	326,367
Resources	388,314	28,886	60,334	45,035	522,569	527,066
Executive	415,551	37,810	75,214	4,371	532,946	469,191
SEND	Nil	Nil	Nil	Nil	Nil	128,730
Total	3,125,363	233,271	532,598	177,888	4,069,120	3,750,071



3(c) Average Number of Full Time Equivalents

	12 months to 31/03/07	12 months to 31/03/06
Cross Issue/New Areas	82	23
Disability	Nil	15
Fair Employment	12	25.5
Gender Equality	Nil	9
Race Equality	Nil	11
Statutory Duty	7	13
SEND	Nil	5
Resources	19	18.5
Executive	10	10
	130	130

As the work of the Commission develops an increasing amount of the work is cross issue rather than being specific to an individual area. This is changing the analysis of costs and full time equivalents.

The Chief Executive's salary includes a performance related non-consolidated bonus but she does not receive any taxable benefits in kind. The Chief Executive is a member of the Principal Civil Service Pension Scheme (NI) on the same basis as all other members of staff.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded defined benefit scheme which produces its own resource accounts, but the Commission is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31st March 2003 and details of this valuation are available in the PCSPS (NI) resource accounts.



Notes to Accounts (continued)

4. Operating Costs

	12 months to 31/03/07	12 months to 31/03/06
	£	£
General Costs		
Travel & Subsistence	33,539	44,711
Staff Recruitment	34,391	45,794
Staff Training	91,717	91,288
Postage	43,272	47,838
Telephones	55,140	59,879
Hospitality	1,013	1,473
Audit	23,500	32,000
Insurance	19,213	18,463
Miscellaneous	27,202	30,700
Office Consumables	65,913	87,311
R&M Office Equipment	1,860	165
Annual Contracts	56,018	49,881
Library	137	194
Legal Costs	60,966	49,371
Corporate Services	39,379	34,911
Early Retirement Costs	(1,630)	147,910
	<u>551,630</u>	<u>741,889</u>
Premises Costs		
Rents	666,123	662,574
Rates	167,944	161,088
Service Charge	1,684	13,814
Electricity/Gas	70,619	56,844
R&M Buildings	15,138	26,839
Facilities Management	170,857	146,696
	<u>1,092,365</u>	<u>1,067,855</u>
Non Cash Costs		
Depreciation on fixed assets	129,551	141,945
Revaluation of fixed assets	10,436	0
Notional cost of capital	(3,779)	865
	<u>136,208</u>	<u>142,810</u>
	<u><u>1,780,203</u></u>	<u><u>1,952,554</u></u>

The above costs include £693,415 (2006 £669,033) paid in respect of operating leases for equipment and rents.



Notes to Accounts (continued)

5. Other Costs

							12 mths to 31/03/07 £	12 mths to 31/03/06 £
Commission Expenses							26,829	24,673
	Disability £	Race £	Gender £	Religion £	Stat. D £	Cross/ New £		
Education & Advice	11,694	43,696	15,200	17,225	38,693	256,767	383,275	779,936
Legal Fees	103,210	26,067	100,362	99,794	0	109,002	438,435	237,469
Investigations Research & Consultancy	3,310	23,022	2,142	10,810	81,711	76,685	197,680	199,714
	118,214	92,785	117,704	127,829	120,404	442,454	1,019,390	1,217,119
							1,046,219	1,241,792



6. Fixed Assets

	Intangible Assets £	Information Technology £	Office Equipment £	Furniture & Fittings £	Fixtures £	Total Tangible £
Cost as at 31/03/06	14,323	401,236	114,156	274,833	70,000	860,225
Revaluation	Nil	(75,775)	(24,474)	24,415	3,374	(72,460)
Additions	12,103	33,397	1,827	6,086	2,414	43,724
Disposals	Nil	(37,195)	(17,831)	Nil	Nil	(55,026)
Cost as at 31/03/07	26,426	321,663	73,678	305,334	75,788	776,463
Accum. Depreciation as at 31/03/06	9,548	322,751	60,820	135,783	26,359	545,713
Revaluation	Nil	(74,178)	(15,635)	14,917	1,779	(73,117)
Depreciation for the period	8,809	67,866	15,989	27,493	9,394	120,742
Depreciation on Disposals	Nil	(37,195)	(17,831)	Nil	Nil	(55,026)
Accum. Depreciation as at 31/03/06	18,357	279,244	43,343	178,193	37,532	538,312
Net Book Value as at 31/03/07	8,069	42,419	30,335	127,141	38,256	238,151
Net Book Value as at 31/03/06	4,775	78,485	53,336	139,050	43,641	314,512



Notes to Accounts (continued)

7. Debtors: amounts due within 12 months

(a) Analysis by type	31/03/07	31/03/06
	£	£
Prepayments	83,869	69,858
Debtors	12,703	21,319
	<u>96,572</u>	<u>91,177</u>
(b) Intra-Government balances	31/03/07	31/03/06
	£	£
Balances with other central government bodies	2,582	9,841
Balances with bodies external to government	93,990	81,336
	<u>96,572</u>	<u>91,177</u>

8. Cash at Bank and in Hand

	31/03/07	31/03/06
	£	£
Cash in Bank	221,145	4,080
Cash in Hand	27	82
	<u>221,172</u>	<u>4,162</u>

9. Creditors:

(a) Analysis by type	31/03/07	31/03/06
	£	£
Trade Creditors	83,044	186,736
Accruals	173,317	64,731
	<u>256,361</u>	<u>251,467</u>
(b) Intra-Government balances	31/03/07	31/03/06
	£	£
Balances with other central government bodies	61,928	64,731
Balances with bodies external to government	194,433	186,736
	<u>256,361</u>	<u>251,467</u>



Notes to Accounts (continued)

10. Provisions

	Internal Costs	Pension Costs	Legal Fees	Total
	£	£	£	£
Provisions at 1/4/06	50,000	20,732	271,539	342,271
New provisions net	52,155	562	483,731	536,448
Unused provision w/back	Nil	Nil	(105,683)	(105,683)
Utilised in year	(32,155)	(17,777)	(378,684)	(428,616)
Provisions at 31/03/07	70,000	3,517	270,903	344,420

At 31st March 2007 three cases have been lodged against the Equality Commission on employment practices. It is the Commission's intention to rigorously defend these claims and, having obtained legal advice, a provision of £70,000 has been made in respect of costs. On the basis of the information available, the Commission believes that the provision made represents the best estimate of the outcomes of the various claims and their associated costs.

One of the key strategic objectives of the Commission is to combat discrimination and to promote equality of opportunity. In working towards this objective, the Commission offers support to complainants in cases of alleged discrimination. A provision for legal fees of £270,903 together with accrued legal expenditure covers all presently committed funds in respect of these cases.

The Commission has provided for all future costs in respect of early retirement.



Notes to Accounts (continued)

11. Reconciliation of Movements in General Reserve

	31/03/07 £	31/03/06 £
At 1 st April 2006	(179,112)	228,568
Finance from OFMDFM	7,130,000	6,656,000
Net expenditure for financial year	(6,998,798)	(7,063,680)
At 31 st March 2007	<u>(47,910)</u>	<u>(179,112)</u>

12. Revaluation Reserve

	31/03/07 £	31/03/06 £
At 1 st April	0	0
Surplus arising in year	11,093	0
At 31 st March	<u>11,093</u>	<u>0</u>



13. Notes to Cash Flow Statement

a. Reconciliation of result for period to net cash inflow from operating statement

	31/03/07 £	31/03/06 £
Net expenditure for financial year	(6,998,798)	(7,063,680)
Adjustment for non-cash transactions:		
Depreciation	129,551	141,945
Revaluation of fixed assets	10,436	0
Increase/(decrease) in provisions	2,149	(148,515)
Adjustments for movements in working capital:		
Decrease/(increase) in debtors	(5,395)	42,555
(Decrease)/increase in creditors	4,894	155,150
Net cash flow from operations	<u>(6,857,163)</u>	<u>(6,872,545)</u>

b. Analysis of Financing

	31/03/07 £	31/03/06 £
Grant in aid (OFMDFM)	7,130,000	6,656,000
Applied towards the purchase of fixed assets	(55,827)	(120,817)
Total Grant in aid applied towards revenue expenditure	<u>7,074,173</u>	<u>6,535,183</u>

c. Reconciliation of net cash inflow to movement in net funds

	31/03/07 £	31/03/06 £
Opening Cash	4,162	341,524
Net Cash inflow/(Outflow)	217,010	(337,362)
Closing Cash	<u>221,172</u>	<u>4,162</u>



14. Financial Commitments

Commitments existed at the 31st March 2007 under operating leases in respect of annual rentals which expire:

Land and Buildings

	2007
Within 1 year	Nil
Within 2-5 years	953
Over 5 years	634,528
	635,481

Equipment

	2007
Within 1 year	22,236
Within 2 – 5 years	Nil
Over 5 years	4,333
	26,569

Commitments under finance leases £nil



15. Contingent Liabilities

There are outstanding employment tribunal cases lodged against the Commission, but, having received legal opinion, the Commission is advised that any potential liabilities be disclosed as contingent liabilities of £12,250 for the costs to defend these cases.

16. Related Party Transactions

The Equality Commission is a non-departmental public body sponsored by the Office of the First and Deputy First Minister (OFMDFM). OFMDFM is regarded as a related party. During the year the Commission has various material transactions with OFMDFM, the Northern Ireland Commissioner for Children and Young People, for which OFMDFM is regarded as the parent body and the Northern Ireland Human Rights Commission.

There were no other related party transactions.



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