



EQUALITY COMMISSION FOR NORTHERN IRELAND

**ANNUAL REPORT AND ACCOUNTS
2018 - 2019**

HC2478

Equality Commission for Northern Ireland

Annual Report and Accounts
for the year ended 31 March 2019

Laid before the Houses of Parliament
by the Secretary of State for Northern Ireland
in accordance with Paragraph 5(4) of Schedule 8 to the Northern Ireland
Act 1998

Paragraph 12(2) and 12(4) of the Schedule to the Northern Ireland Act
2000

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under paragraphs 5(3) & 7(4) of
Schedule 8 to the Northern Ireland Act 1998
by The Executive Office

on

18th July 2019

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Our Statement of Commitment

We are committed to carrying out our functions in a way which will contribute to a more equal society

Vision

A society in Northern Ireland where there is:

**Equality for all
and a common understanding
of the benefits of a more equal society**

Mission

To improve people's lives through the effective implementation of our statutory responsibilities

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Chief Commissioner's Foreword

This will be my last foreword as Chief Commissioner, as my term will come to an end in February 2020. The detail of this report reflects our work over the past year, when we met nearly all our objectives whilst dealing with the eleventh successive year of budget cuts and further reduction in staff numbers.

The most significant element for me is how successful we have been in fulfilling our mission to “***improve people's lives through the effective implementation of our statutory responsibilities***”. I am taking the liberty of offering a more personal perspective in this, my last, foreword.

This was the first year in which we have tried to shift our focus to an outcomes based accountability framework in keeping with the Programme for Government principles. While it can be difficult to show that outcomes are directly attributable to an action by the Commission, we cannot put outcomes-based accountability into a ‘too hard box’ and leave it to one side – we have to develop a system that people will understand and will demonstrate the effectiveness of our work.

I was really encouraged by the results of an IPSOS MORI public opinion survey carried out in February 2019 where a number of questions were asked on equality issues. 88% of people felt that there are benefits of having an equal society and 86% said they cared deeply about making this place I call home a fairer place. To this end, 89% felt that equality law was necessary, indeed 73% felt it should be strengthened.

As Chief Commissioner of the body charged with promoting equality of opportunity, I feel this broad support for equality law is important.

However, significant numbers of respondents said that they did not know what groups that law protected (32%) or what areas were covered by anti-discrimination law (32%). This is a challenge to us and others whose job it is to promote awareness of those protections.

In the past year we have seen the highest number yet (4,144) of people who have contacted us with concerns that they had been discriminated against. When I started here, in 2012, that number was 3,316, indicating an increase of a fifth. So it seems to me that more people appear to know their rights and protections or at least know where to call for advice and information.

Perhaps two survey responses above all others presented me with the biggest challenge. First, 28% said the term “Equality was meaningless”, while less than half (48%) reflected the opposite view. Secondly, only one person in five

felt that our public leaders offered leadership on equality matters while a staggering 53% felt that they did not demonstrate leadership in this area.

So, what does this tell me? It seems to me that as long as we continue to use the term 'equality', whether that be in politics or the civic sphere, we risk alienating almost 30% of the population before we begin.

What is clear is that 20 years on from the Belfast/Good Friday Agreement, which had equality at its core, people understand the importance and benefits of having a more equal society and it is still central to building a fairer society. However, this needs to be evidenced in leadership in the public square. It is simply not enough to allow equality to be seen as some political or cultural football to be kicked around. Equality, if it is to be understood and advanced, must be expressed in terms of what its outcomes will be.

We need to change the conversation, to move it beyond equality being seen either as a synonym for 'fairness' or as some formula which ensures that if 'they' get something so too should 'we'. Such conversations become arguments which are won or lost rather than discussions where common goals are agreed and mutual respect is a given. 'We' will not always win, but that is the outworking of the outcome of equality which is values based and objectively focused.

We as a Commission will continue to lead this debate.

I would like to express my sincere thanks to all my Commissioner colleagues for their endurance and resilience over this last year. I continue to miss my colleague William McKee who died in December but who has left a huge legacy in everything he touched, including the Commission. Rest well William. I would also express my sincere thanks to Evelyn and the whole staff team for all they did and the energy and enthusiasm with which they did it.

To quote The Way of the Peaceful Warrior: "The secret of change is to focus all your energy not on fighting the old, but on building the new." A thought as we work for an equal society in Northern Ireland.



Dr Michael Wardlow
Chief Commissioner

Performance Report

1.1 Overview

The purpose of this Performance Report is to provide the reader of the Annual Report with: an outline of the Commission's purpose and remit; a summary of its performance against its objectives and key results in 2018-19, including the challenges and key risks it has faced in delivering its outcomes; and a brief overview of the likely developments and challenges it faces in the coming year.

Statutory Background

The Equality Commission for Northern Ireland is an executive non-departmental public body (NDPB) sponsored by The Executive Office (TEO).

The Commission, established on 1 October 1999 under the Northern Ireland Act 1998, assumed, along with the responsibilities for statutory equality duties and new 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.

During 2009, jointly with the Northern Ireland Human Rights Commission, the Equality Commission was designated as the independent mechanism for Northern Ireland of the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) with the role of promoting, protecting and monitoring the implementation of the Convention.

Since the Commission's inception, it has aimed to fulfil all of its 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 the Commission derives its duties and powers are:

- 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, as amended;
- Special Educational Needs and Disability (NI) Order 2005, as amended;
- Disability Discrimination (NI) Order 2006;
- Employment Equality (Age) Regulations (NI) 2006, as amended; and
- Equality Act (Sexual Orientation) Regulations (NI) 2006, as amended.

Going concern

The Equality Commission operates as a going concern. It is financed by funding from The Executive Office. Funding for 2019-20 has been approved and a budget is in place covering the next twelve months. The Commission has no significant liabilities that cannot be funded over the coming period.

Management accounts are prepared on a monthly and quarterly basis based on present forecasts. This process seeks to facilitate timely remedial actions. Formal arrangements for regular and frequent liaison with the departmental sponsorship team are in place and there are no known events or conditions which would cast doubt on the Commission's ability to continue as a going concern.

Key Risks

This year the key risks to the delivery of the Commission's objectives continued to be the ongoing reduction in funding and staffing levels and, in particular, the lack of longer-term financial information to facilitate the development of robust planning assumptions and forecasts into the foreseeable future. It is anticipated that the need to manage these risks will continue into 2019-20.

1.2 Commissioners' Report

Commissioners fulfilled their responsibilities to provide strategic direction for the Commission in the performance of its statutory duties. A particular highlight of the year in this context was the development of a new outcomes based accountability (OBA) focussed Corporate Plan and consultation on it. Commissioners reviewed the context in which the Commission operates, including the financial context, its past performance and identified four areas as strategic priorities for our work in the period 2019 - 2022. These were based on our statutory remit, from evidence of substantial or persistent inequality arising through our work over recent year on key inequalities and evidence from our day-to-day-work and engagement with stakeholders.

In identifying its strategic priorities, Commissioners also sought to focus on areas where it considers that, with the use of our powers and in partnership with others, there is potential to make a difference.

There was general support for the areas identified as priorities for the coming period – across employment, education, access and participation, mainstreaming and championing equality - and the Commission finalised for submission to the Department its Corporate Plan in January 2019.

There was also significant engagement with the Northern Ireland Office, the Department for Exiting the EU and the Cabinet Office on developing effective arrangements for a dedicated mechanism to monitor the Government's commitment to no regression of equality rights, following the United Kingdom's leaving of the European Union. Commissioners demonstrated due diligence in scrutinising the proposals and recommending improvements to ensure the effectiveness of the arrangements over the course of the year.

Commissioners also ensured high standards of governance in its work, in reaching decisions, across a range of policy and other matters throughout the year, and conformed to the Code of Conduct, which sets out the principles governing the behaviour and actions of Commissioners as public office holders.

They also played a key role in ensuring that the Commission's work was undertaken in the most effective and efficient manner throughout the year under review, with regular review of financial reports and reports of progress against agreed objectives.

Commissioners had opportunities to act as representatives of the Commission at many public engagements throughout the year and contributed significantly to the work of the Commission through serving as members of and/or chairing the Commission's various Committees.

1.3 Performance Analysis

Performance against Targets

The Commission prepares annual business plans. At its April 2018 meeting, TEO's Departmental Board approved the 2018-19 Business Plan. Although, under its Management Statement, the draft Business Plan should be submitted to Ministers for approval, due to the prevailing political circumstances this was not possible.

TEO has formally advised that it is content that the Commission should continue to operate under the Business Plan approved by its Board. Throughout the year this Plan formed the basis of reporting to the Department on progress against measures and targets.

This was the final year of the draft Corporate Plan 2016-19 and the Business Plan was aligned with the key strategic areas set out in that Plan.

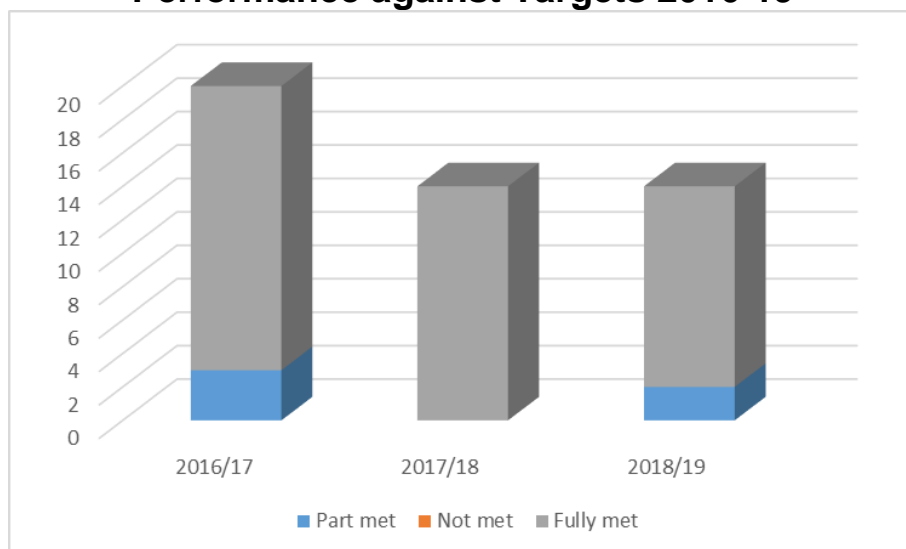
The strategic areas under which the Commission’s work was structured in 2018-19 were:

1. Putting the legislation to work;
2. Challenge and support Government to advance equality and good relations;
3. Championing equality and good relations; and
4. Deliver equality effectively and efficiently.

The Business Plan 2018-19 set out 14 strategic priority objectives, spread across the four strategic areas. By the end of the year, twelve of these objectives were met and two partly met. Performance against targets is reviewed on at least a quarterly basis by the Commission and a summary report of performance against targets is provided on a quarterly basis to the TEO sponsor team.

A summary of performance against business plan targets over the course of the Corporate Plan is set out below. Further detail on performance delivery against this year’s objectives can be found in Appendix 1 of the Annual Report.

Performance against Targets 2016-19



The highlights of 2018-19 included:

- ❖ Consultation on and development of a new outcomes based accountability (OBA) focused Corporate Plan;
- ❖ Delivery of a programme of work to address the recommendations made in ‘Section 75 – Acting on the evidence of public authority practices’; increased engagement at senior levels in the public service on the public sector equality duties; and publication of leadership guidance endorsed by the Head of the Civil Service;
- ❖ Ongoing engagement by the Commission and the NI Human Rights Commission with, and continued commitment on the part of, the Northern Ireland Office, Department for Exiting the EU and the Cabinet Office on developing effective arrangements for a dedicated mechanism to monitor the Government’s commitment to no regression of equality rights, following the United Kingdom’s leaving the European Union;
- ❖ Advocacy of Commission policy recommendations in response to improvements in building partnerships with those lobbying for, and those working to deliver, policy changes;
- ❖ Continuing to build on the public profile across the range of equality issues and the Commission’s work, particularly in building a stronger social media presence, increasing ‘opportunities to see’ measures, increase in website traffic and a refreshed approach to public engagement;
- ❖ Receiving Gold level Investor in People recognition and evidence of continuing high levels of assurance of effective governance; and
- ❖ Completion of preparations for introduction of the General Data Protection Regulations (GDPR) and the new Data Protection Act in May 2018.

Meeting statutory responsibilities

The Commission has formal regulatory powers and responsibilities across its legislative remit, primarily with regard to:

- the registration, monitoring and review requirements placed on private and public sector employers, contained in the Fair Employment and Treatment Order 1998 (FETO) and related provisions;
- Section 75 of the Northern Ireland Act 1998; and
- the preparation by public authorities of disability action plans under sections 49A and 49B of the Disability Discrimination Act 1995 (DDA).

Each year, in its Annual Report, the Commission's outlines its work in these areas.

Fair Employment and Treatment Order (FETO)

Each year the Commission receives almost four thousand monitoring return forms from private sector employers and public authorities. In 2018-19 3,940 returns were received and by the year end 3,825 (97.1%) had been audited and authorised. Of those audited, more than 99% were in compliance with the fair employment monitoring regulations.

The Commission also requested 109 Article 55 reviews for audit. By the year end, 88 had been received and six others submitted voluntarily. Of the 92 audited, by the year-end, 90 (97.8%) were compliant, following engagement with compliance staff. Work was ongoing with the remaining two employers to ensure compliance. 21 reviews were outstanding. We are following up the findings of these reviews with 47 private sector employers and public authorities which have over 100 employees.

In February 2019, the Commission published its 28th Annual Summary of Fair Employment Monitoring Returns. The report provides information on the community background of the monitored workforce based on those returns made in 2017. The monitored workforce, estimated at more than 65% of those in employment, was 540,897, an increase of 6,395 from the previous year. Of that total 46.4% was Protestant, 44.4% Roman Catholic and 9.2% non-determined. Looking at the composition of those from Roman Catholics and Protestants community backgrounds only, the Roman Catholic share of the monitored workforce has shown a gradual upward trend of on average 0.5 percentage points per year since 2001. This trend continued in 2017 to 48.9%.

Section 75 statutory equality and good relations duties

Schedule 9 of the Northern Ireland Act 1998 places a number of duties on the Commission with respect to the enforcement of Section 75. The Commission is required to:

- keep under review the effectiveness of the duties on public authorities;
- offer advice to public authorities and others in connection with Section 75;
- approve equality schemes and request any public authority to make a revised scheme; and
- consider complaints received regarding a potential failure by a public authority to comply with its approved equality scheme, and to investigate where appropriate.

The Commission took a number of steps in furtherance of these duties during the year under review, as set out below.

Keeping the effectiveness under review

This year, both the consultation report and the final report of ‘Section 75 – Acting on the evidence of public authority practices’ were published. The final report made six recommendations for public authorities and their practices, focusing on leadership and improvements to implementation of the processes in Equality Schemes to ensure that they fulfil their statutory duties as set out in Section 75. The report also set out six areas for the Commission to undertake in support of the recommendations made.

Advice to Public Authorities

During 2018-19, the Commission’s advisory and compliance work focused on six areas outlined in the report mentioned above. Priorities included engaging with the larger public authorities, initially Government Departments, and broadening the scope of advice to include more senior leaders and policy officers.

The Chief Commissioner and Chief Executive met with the Permanent Secretaries’ Group and meetings were held with six Permanent Secretaries and Departmental Boards/senior managers to discuss the Commission’s Leadership Guidance which was endorsed by David Sterling, Head of the Northern Ireland Civil Service (NICS). At year-end, further contact had been made with the NICS Policy Champions Network to promote initiatives to improve Section 75 practices. Similar meetings were also held with Chief Executives/senior representatives of other large public bodies.

The Commission has continued to provide advice through the Forum of Government Departments, jointly chaired by The Executive Office and the Commission, as well as ongoing advice to equality officers in public authorities.

We have invested considerable resource in improving equality assessments, focusing on the need for improved Section 75 data and ensuring that equality scheme training commitments are complied with. This has included working with the Northern Ireland Statistics and Research Agency (NISRA) to develop signposting guidance, ensuring Section 75 data is accessible, and with the NICS Centre for Applied Learning (CAL), to ensure the mainstreaming of Section 75 training in the NICS training.

The Commission also delivered 18 training sessions on the Section 75 duties to over 500 public sector staff representing 83 public authorities.

There is evidence of increased engagement with the Commission by public authorities on the Section 75 duties, in terms of general enquiries and training. There is also evidence of some improvements in equality assessments in terms of the evidence used and ensuring that screenings are conducted at the start of the policy development process. However, many of the issues identified in the 2018 research remain. The Commission will continue to review and evaluate the impact of this advisory work to inform its programme of work for 2019-20.

109 (84%) of 129 public authorities submitted an annual progress report for 2017/18. During the year under review the Commission provided feedback to 48 public authorities.

Approval of Equality Schemes

During the year, 15 equality schemes were approved, those of HMRC, the General Teaching Council for Northern Ireland, Northern Ireland Community Relations Council, Radius Housing and 11 Policing and Safety Partnerships. By the end of the year, of the 158 designated public authorities which are required to have an approved equality scheme, 143 have a scheme and the remaining 15 are exempt from producing a scheme.

Complaints and Investigations

Under Schedule 9, Paragraph 10 of the Northern Ireland Act 1998, the Commission considers complaints against public authorities alleging they have failed to comply with their approved scheme and it may investigate such complaints. Under paragraph 11, it can investigate public authority compliance of its own volition.

This year has seen a continuation of the considerable increase in potential and actual complaints reported last year. During 2018-19, 41 individuals were advised on complaints, potential complaints and about the Paragraph 10 complaints process.

This year the Commission published one Investigation Report which was an investigation under paragraph 11 of Schedule 9 of the Northern Ireland Act 1998. This related to the Department for Communities' application of Equality Scheme commitments for funding decisions on the Líofo Gaeltacht Bursary Scheme for 2017 and the Community Halls Pilot Programme. This investigation was published and received extensive news coverage.

A second investigation, into a complaint made under Paragraph 10 of Schedule 9 was completed, with an assessment of the action on the recommendations made by the public authority. The Statutory Duty Investigations Committee (SDIC) concluded that Lisburn City and Castlereagh Council's reported action to comply with investigation recommendations was relevant and sufficient.

In total, this year, SDIC considered nine requests that the Commission investigate a written complaint of an alleged failure by a public authority to comply with its approved Equality Scheme. Seven complainants were given reasons why the Commission did not investigate their complaint. It also reconsidered five previous decisions where a request for a review was received, and upheld those decisions.

During the year, the Statutory Duty Investigations Committee (SDIC) authorised two investigations of complaints considered, alleging that a public authority had failed to comply with its approved Equality Scheme. These are ongoing.

Public Sector Disability Duty

In this period, the Commission provided advice to key public authorities to improve the quality of the measures contained in their Disability Action Plans (DAP) and had an objective that 90% of public authorities would have a current DAP.

In addition to ongoing advice to assist public authorities to develop and improve their DAPs, the Commission held a number of briefings and training events, including in partnership with disabled people's representative organisations. Evaluations indicated increased awareness of the DAP duties and showed a willingness by public authorities to improve practices.

Evaluation of the impact of our work with the ten public authorities prioritised in 2017-18 indicated that all had improved their DAPs as a result of Commission contact. During 2018-19, the Commission provided these public authorities with advice to promote effective implementation of the improved disability action plan measures.

At the end of the 2018-19 business year, there was evidence that seven of these public authorities were implementing improved disability action plan measures. These public authorities included organisations in the health and social care sector, local government, education and justice. Over the coming year, the Commission will promote as good practice some of the measures being implemented by these public authorities.

In the remaining three public authorities, there was not clear evidence of implementation of improved disability action measures. In two of these public authorities there was a change of staff and the remaining public authority is a relatively small organisation.

During the year, the Commission provided advice and guidance to other public authorities with the aim of improving the quality of measures included in their DAPs. These public authorities were in the further education sector, a number of Government Departments and one local government body.

Public authority DAPs generally cover a five-year timescale. In this year there were 80 public authorities where the DAP had ended or was coming to an end during the year under review. By the end of March 2019, of the 142 public authorities who are required to have a DAP in place, 110 (77.5%) had so. This includes a number where consultation was ongoing. The Commission is continuing to engage with all public authorities currently without an up to date DAP in place, and will report to the Commission on the progress made in due course.

Resourcing its plans

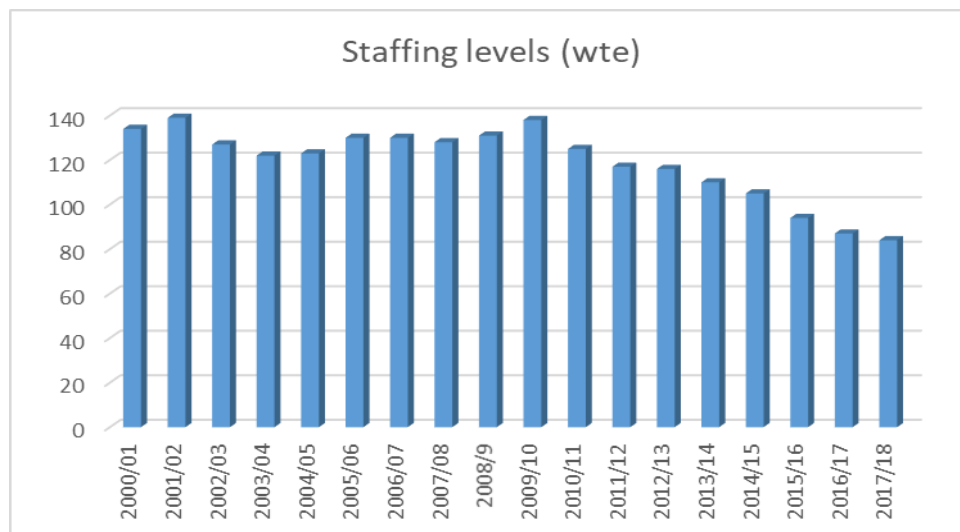
The Commission continues to deliver its statutory responsibilities and business objectives within the constraints of a difficult financial background.

This year the Commission was provided with an opening indicative budget of £5,041k, a 3% reduction of £153k on the opening budget. During the year, this was supplemented by bids approved in the course of in-year monitoring. This resulted in a revised budget allocation for the year of £5,388k.

As described in last year’s report, given the structure of the Commission and the proportion of its budget that needs to be committed to staffing, budget reductions have a disproportionate impact on staffing levels.

This year, the overall level of staffing continued to fall. This year’s average whole-time equivalent (wte) staffing level is 77, a further decrease by seven from last year’s 84 (8.3%). Over the past ten years, Commission wte staffing levels have fallen by 61 (44.2%), from 138 average whole-time equivalent staff in 2009-10 to this year’s 76.

The chart below provides an illustration of the scale of staff reductions since 2000-01.



Inevitably reductions of the scale outlined above will impact on business operations and service levels. In response, the Commission has sought to generate additional sources of income, mitigating the reductions through reducing overheads and delivering efficiency savings where possible. It has also focused its corporate resources on core governance and internal control, while striving to protect the benefits of greater sustainability and its commitment to continuous improvement.

Business cases were approved for the voluntary exit scheme (VES) at the end of this year and four staff left under VES terms by 31 March 2019. A further three staff, two on reduced hours, will leave under VES on 30 June 2019. These exits are being funded under the conditions of the Public Sector Restructuring Fund.

Income from activities was £436k, from sharing the costs of Equality House with other organisations and from providing shared services, mainly ICT services, to organisations within Equality House.

Financial Results for the Year

The financial position of the Commission as at 31 March 2019 and other results for this year are set out in detail in our Financial Statements at page 58. The Accounting Officer authorised these financial statements for issue on 26 June 2019.

The Financial Reporting Manual (FReM) requires the Commission to treat grant-in-aid as financing rather than income. This year, £5,298k (2017-18, £5,261k) was received from TEO in the year.

The Commission shows an increase in income from its activities. Income from activities was £436k this year, which compares with £402k last year. This increase resulted mainly from the reduction in premises costs from one of our co-tenants obtaining rates exempt status last year and the backdating of the rebate which resulted. The Department gave approval for retaining this income.

Net expenditure for the year was £5,305k (2017-18, £5,451k). This was within the Commission's budget allocation and set control levels.

There has been a reduction in the Taxpayers' Equity of £56k - from a surplus of £39k at 31 March 2018, to a deficit of £17k at 31 March 2019.

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.

The Northern Ireland Executive's target is for 90% of valid bills to be paid within 30 days. During the period, 97.5% of bills were paid within the thirty day standard and 83.8% were paid within 10 days. The comparative figures for 2017-18 were 97.1% and 78.6% respectively.

Managing Risks

The key risks to the achievement of the Commission's objectives are set out in its Corporate Risk and Business Continuity Register. The Register is reviewed at each monthly Executive Board meeting or earlier in the event of the emergence of a significant risk or 'near miss'. It is reviewed at each meeting of the Audit and Risk Committee and by the full Commission at least twice each year.

Business Review

In the context of continuing reductions in the Commission's budget, the downward pressure on staffing levels continues to be the main challenge which the Commission faces. The reduction in whole-time equivalent posts reported in recent years continues.

This year saw a further reduction in the average whole time equivalent (wte) headcount from 83 permanently employed staff to 77. In response to falling staff numbers some restructuring of responsibilities was required. This process will continue in 2019-20.

This year expenditure on Staff and Commissioners' costs was £3,930k, a decrease of £93k in staffing costs compared with last year (£4,023k). The decrease was a consequence of the continuing reduction in staff numbers.

Four staff voluntarily exited the Commission this year, utilising the Public Sector Restructuring Fund (3.0 wte). No special severance payments were involved. Approval from TEO was obtained. Information on the exit packages, as required, is included in the Remuneration and Staff Report.

The Commission aims to operate within the allocated budget provided by TEO, avoiding overspend and managing underspend within a tolerance level of 1.5% by 31 March. At the year-end this target was met both in terms of the resource and capital allocations.

Ensuring effective governance and internal control

The Commission has high standards of governance and risk management as measured by internal and external audit reports and comments from the auditors. Of the three internal audit reviews undertaken this year, two provided satisfactory assurance and one, covering business continuity, provided limited assurance. An action plan is in place to address the recommendations made.

There were no failures of internal control over the period and the level of near misses remains low. During the year the Commission was prepared for the introduction of the General Data Protection Regulations (GDPR) in May 2018. Internal audit completed an advisory review of the Commission's preparedness. Five improvement areas were identified. These will be addressed over the coming year.

Encouraging sustainability and improvement

The Commission is presently recognised at the Gold level for Investors in People and Gold level for the European Framework for Quality Management (EFQM). The Commission will continue to structure its continuous improvement work around these two key standards.

The Commission was last assessed against the EFQM standard in 2010 and is working towards renewing this accreditation. Work on a planned EFQM assessment this year, again, had to be deferred due to budget reductions. Subject to available resources, this work will be further progressed in 2019-20.

Likely Future Developments

As anticipated there were further reductions in the opening budget position and in grant-in-aid for 2019-20.

The coming year will see a recruitment process for eight new Commissioners, initiated by the Northern Ireland Office, with further recruitment planned later in the year. This is aimed at replacing the membership of the existing Commission in a staged and planned way and thereby mitigating the impact on business continuity.

Progress on the Programme for Government and the outcomes based approach to business planning and delivery, although affected by the ongoing political uncertainty, will continue. The Commission has begun work on the delivery of an OBA focused Corporate Plan covering the period 2019-22 and this will continue in the coming year.

The Commission's lease for Equality House ends in July 2021 and it has been advised of plans for its relocation, by representatives of the Department of Finance's Reform of Property Management project team. Initial planning for the relocation has been initiated and discussions with The Executive Office, in relation to how any resultant impact on the Commission's additional income and overall financing position will be addressed, have also begun.

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.

Annual Report and Accounts

The Equality Commission's Annual Report and Accounts are prepared in accordance with Schedule 8 of the Northern Act 1998 and in a form directed by The Executive Office with the approval of the Department of Finance.



Evelyn Collins CBE
Chief Executive and Accounting Officer
26 June 2019

2. Accountability Report

2.1 Corporate Governance Report

This report describes the organisation and composition of the Commission's governance structures and how they support the achievement of the Commission's objectives.

2.1.1 Directors Report

The Directors Report provides details of those with the key responsibilities for directing the Commission in the delivery of its objectives; their attendance and any significant external interests held by them. It also provides information on any personal data incidents reported to the Information Commissioner's office.

The Commission is led by a Chief Commissioner, who is supported by a Deputy Chief Commissioner. The overall number of Commissioners should be not less than 14 and not more than 20. Including the Chief Commissioner and the Deputy Chief Commissioner there are currently 15 Commissioners. One Commissioner died during his term of office this year. Commissioners are appointed by open competition and are accountable to the Secretary of State, under the Northern Ireland Act 1998.

The present Chief Commissioner is Dr Michael Wardlow. Dr Wardlow has been the Chief Commissioner since March 2012.

The Commission's Chief Executive, Dr Evelyn Collins CBE, has been designated as the Accounting Officer by the Accounting Officer of The Executive Office.

Commission and Chief Commissioner

The individuals set out in the table below served as members of the Commission during the reporting period, and their attendance at Commission meetings is also detailed. The current membership of the Commission comprises eight men and seven women.

Commissioner		No. of meetings	No. Attended
Michael Wardlow	Chief Commissioner	10	10
Lesley Carroll	Deputy Chief Commissioner	10	8
Eileen Chan-Hu		10	8
Deborah Donnelly		10	9
Duane Farrell		10	9
Helen Ferguson		10	10
Hazel Francey		10	9
William Gamble		10	9
Judith Gillespie		10	9
Tom Hartley		10	9
Jarlath Kearney		10	10
Geraldine McGahey		10	6
William McKee*		7	4
Joseph McVey		10	9
Robin Mullan		10	10
David Rose		10	9

* deceased 12 December 2018

Commission composition

The following table provides the composition of the Commission at 31 March 2019.

Gender	M	F	Total
	8	7	15

Community background	P	RC	Neither/ ND	Total
	7	5	3	15

Executive Team

Evelyn Collins	Chief Executive
Keith Brown	Head of Corporate and Legal Services
Eileen Lavery	Head of Policy, Research and Compliance

The composition of the Executive Team by sex and community background, as well as the composition of all employees, is included in the Remuneration and Staff Report.

Committees

Schedule 8 of the Northern Ireland Act 1998 allows the Commission to make provision for the discharge of its functions by Committees and the Commission has operated with a number of different Committee structures since it was established.

At present, there are three Committees of the Commission:

- Audit and Risk Committee
- Legal Funding Committee
- Statutory Duties Investigation Committee

The following Commissioners served on the Commission's Committees during the period 1 April 2018 – 31 March 2019.

Audit and Risk Committee

COMMISSIONER	NO. OF MEETINGS	NO. ATTENDED
Deborah Donnelly (Chair)	5	5
Lesley Carroll	5	2
Eileen Chan-Hu	5	3
Duane Farrell	5	5
Geraldine McGahey	5	4
Robin Mullan	5	4
David Rose	5	4

Statutory Duty Investigations Committee

COMMISSIONER	NO. OF MEETINGS	NO. ATTENDED
Lesley Carroll (Chair)	6	6
Eileen Chan-Hu	6	3
Helen Ferguson	6	6
William Gamble	6	6
Tom Hartley	6	3
William McKee*	5	3
Michael Wardlow	6	4

* deceased 12 December 2018

Legal Funding Committee

The Legal Funding Committee normally meets fortnightly. Committee members are rotated to ensure that each meeting has three committee members present. The Chair of this Committee rotates between all members. In addition to the set meetings, Commissioners may be called upon to consider emergency applications as they arise.

During 2018-19 the following Commissioners served on the Legal Funding Committees: Deborah Donnelly, Helen Ferguson, Hazel Francey, Judith Gillespie, Tom Hartley, Jarlath Kearney, Geraldine McGahey, William McKee, Joe McVey and Michael Wardlow.

Commissioners' Interests

An up-to-date [register of interests](#) is maintained by the Chief Executive as Accounting Officer and is available on the Commission's website.

Data Protection and Freedom of Information

The Commission is registered with the Information Commissioner's Office and has in place policies, guidelines and arrangements for compliance with Data Protection and Freedom of Information legislation. One incident of data loss was referred to the Information Commissioner's Office during the year. On the basis of the nature of the data loss and the action taken by the Commission to address any weakness identified, no further action was taken by the ICO.

2.1.2 Statement of the Accounting Officer's responsibilities

Under Paragraph 7(2) (a) of Schedule 8 of the Northern Ireland Act 1988, the Executive Office with the consent of the Department of Finance has directed the Equality Commission for Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its Comprehensive Net Expenditure, application of resources, changes in taxpayers' equity 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 Executive Office, 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 accounts; and
- prepare the accounts on a going concern basis.

The Accounting Officer of The Executive Office has designated the Chief Executive as the Accounting Officer of the Equality Commission for Northern Ireland.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets, are set out in 'Managing Public Money Northern Ireland', published by the Department of Finance.

Statement of Disclosure of Information to Auditors

So far as the Accounting Officer 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
- I have taken all steps that I ought to have taken as Accounting Officer in order to make myself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

The Annual Report and Accounts, as a whole, is fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and reasonable.

2.1.3 Governance Statement

This statement outlines the Commission's governance framework for directing and controlling its functions and demonstrates how risk is managed. It also describes the assurance provided to support the Chief Executive, in her role as Accounting Officer for the Commission, during the period 2018-19.

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 Managing Public Money Northern Ireland.

The Governance Framework

The Commission

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 financing is grant-in-aid provided by The Executive Office. 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 Minister's behalf by the Sponsoring Department, The Executive Office (TEO). 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 objectives of Government policy.

The Commission has agreed a Management Statement and Financial Memorandum with The Executive Office. This sets out the relationship between the two organisations and defines the financial and administrative framework within which the Commission operates. It also sets out the conditions under which grant-in-aid is paid to the Commission and the delegations within which the Commission operates. A new Management Statement and Financial Memorandum were agreed in October 2018.

The Commission is led by a Chief Commissioner, who is supported by a Deputy Chief Commissioner. Including the Chief Commissioner, at 31 March 2019, there were 15 Commissioners.

The responsibilities of the Chief Commissioner and Commissioners are set out in the founding legislation and more fully in the Code of Practice agreed between the Sponsoring Department and the Commission.

Commissioners identify and update their declaration of interest annually and the Register of Interests is publicly available. The identification of potential conflicts of interest is addressed at the beginning of each Commission and Audit and Risk Committee meeting. Guidance on the declaration of conflicts of interest is contained in the Commissioner Handbook, which is provided to all Commissioners on appointment.

Although it is primarily directed at central Government Departments, the Commission complies in all material respects with the guidance set out in Corporate Governance in Central Government Departments: Code of Good Practice NI (2013).

In May 2016, internal audit completed a Review of Board and Committee Effectiveness. The report recorded substantial assurance. In January 2017, the Audit and Risk Committee undertook a self-assessment of its operations against the good practice checklist published by the National Audit Office. The assessment, which was facilitated by the Head of Internal Audit, recorded a high level of adherence to good practice.

In 2017-18, the Commission undertook a comprehensive internal review and self-assessment of its board effectiveness and the work of the Audit and Risk Committee. The report recorded that its practices were well aligned with the good practice set out in the NIAO's Board Effectiveness: A Good Practice Guide (2016).

Progress on delivering the recommended further actions was reviewed by the Audit and Risk Committee during this year and a further survey assessment was undertaken. This further assessment was considered by the Commission in May 2019.

Audit and Risk Committee

The Commission seeks to ensure high standards of corporate governance and high levels of compliance with the values of public service.

It has an Audit and Risk Committee, which oversees internal audit arrangements and ensures that they are conducted in accordance with the objectives and standards of the Public Sector Internal Audit Standards. The Committee also oversees the Commission's arrangements for risk management.

The Committee's full responsibilities are set out in its Terms of Reference, which were last reviewed in February 2019. Its core work for the year is set in a work programme structured around the guidance in the Department of Finance's Audit and Risk Assurance Committee Handbook (NI) (2018).

The Audit and Risk Committee meets at least four times per year. 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. On an annual basis, the Audit and Risk Committee undertakes a self-assessment of its operations and a formal written report of its work is presented to the Commission.

Accounting Officer

The Commission's Chief Executive has been designated as the Accounting Officer. The Accounting Officer's role and responsibilities are set out in the Management Statement and in more detail in Managing Public Money Northern Ireland (MPMNI).

The Equality Commission's Annual Report and Accounts are prepared in accordance with Schedule 8 of the Northern Act 1998 and in a form directed by The Executive Office with the approval of the Department of Finance.

Risk Management and Assurance

As the Accounting Officer, I have overall responsibility for the Commission's corporate business and decisions and ensuring the effective management of the key associated risks.

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 Management Board and other staff is taken. Ownership of risks has been allocated to the relevant staff at appropriate levels and they have received the necessary training to assist them in handling these risks.

Risk management is cascaded down the organisation and Risk Registers are produced for each Division. Stewardship statements are completed by corporate risk owners and forwarded to me as Accounting Officer. These provide me with assurance that risk management processes are effective and operating in line with the Commission's risk management framework.

Staff receive regular training in Governance, Risk Management and Fraud Awareness. A tendering exercise for risk management training was undertaken this year. The training will be made available to staff and Commissioners in early 2019-20.

As Accounting Officer, I submit a quarterly stewardship statement to the Audit and Risk Committee and to the Commission's Sponsoring Department.

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. Risk appetite is assessed by the Commission and targets approved by the Commission are included on the Risk Register.

Corporate and business continuity risk is routinely reviewed by the Management Board and at each Audit and Risk Committee meeting and the Corporate Risk and Business Continuity Register updated as necessary. The Commission, its Audit and Risk Committee and the Management Board receive regular reports on internal control and monitor progress on addressing internal audit recommendations.

The system of internal control has been in place in the Commission from 1 April 2018 to date. It accords with Department of Finance guidance.

Consideration of risk forms the basis of the Commission's Strategic Internal Audit Programme, which is mapped against the Corporate Risk and Business Continuity Register. The Commission has an internal audit service, which operates to Public Sector Internal Audit Standards (PSIAS). During 2018/19 the internal audit service was provided by PricewaterhouseCoopers LLP.

In June 2015, TEO's Head of Internal Audit completed a quality assurance review of the Commission's internal audit arrangements against the PSIAS. A high level of conformity was found.

Potential Risk Issues

The areas of potential risk outlined below are those on which the Commission reports to its Sponsoring Department on a monthly basis or any other significant issue referred to in the Commission's Corporate Risk and Business Continuity Risk Register.

Business Planning and budgeting

The Commission's annual Business Plan for 2018-19 was approved by the TEO Departmental Board in April 2018. A draft Corporate Plan covering 2019–22 and a draft Business Plan for 2019-20 has been submitted to TEO, for its consideration. In March 2019, the Commission was advised of its opening budget allocation for 2019/20.

Information Assurance

The Commission is proactive in developing and implementing policies and procedural guidance to manage Information Risk. Information risk management is a key element of information governance and is an integral part of good management.

The Commission undertakes regular reviews of its ICT infrastructure and security arrangements and information security risks and controls are included on the Commission's Corporate ICT risk register. The Commission made a return in May 2016 to the Departmental Security Health Check (DSHC) initiated by NICS. This return was reviewed by internal audit in November 2016 and satisfactory assurance was provided.

A data breach, relating to the use of the postal service, was notified to the Information Commissioner's office (ICO) in May 2018. An internal review of procedures was promptly undertaken and some improvements were made and communicated. Both TEO and the individuals affected were advised.

In March 2019, the Commission was informed by ICO that it considered no further action necessary.

The Commission has a Freedom of Information policy and satisfactory arrangements in place to ensure compliance. The Commission's Data Protection and Freedom of Information Officer receives regular training and Divisional coordinators are briefed.

An internal audit review of Data Protection and Freedom of Information processes was completed, as part of an overall review of regulatory compliance, in February 2018; Satisfactory assurance was provided. The Commission undertook a review of its processes in the context of preparations for the introduction of the General Data Protection Regulations (GDPR) in May 2018. The new arrangements in place were reviewed by internal audit as part of this year's audit programme; and a number of recommendations were identified and these are being progressed.

Business Continuity Plans

The Commission has undertaken a business continuity risk assessment and up to date business continuity and other contingency arrangements are in place. The ICT continuity and disaster recovery arrangements are regularly tested.

An audit of the Commission's Business Continuity and IT Disaster Recovery was completed during 2018-19 and limited assurance was recorded. Action is underway to address the recommendations made by the internal auditor.

Gifts and Hospitality

Appropriate arrangements for the management of Gifts and Hospitality are in place and all offers, both to Commissioners and Staff, are included on a Gifts and Hospitality Register.

Whistle blowing

The Commission's Whistleblowing procedure was reviewed and updated in May 2015, following a review of the guidance issued by the Northern Ireland Audit Office (NIAO) and others at that time. It was further updated this year in light of the dissemination of new TEO Departmental procedures. There have been no incidences of whistle blowing during the year.

Fraud

The Commission has a Fraud Policy and Fraud Response Plan. An updated policy and response plan was reviewed by the ARC at its November 2018 meeting. This has been disseminated to staff.

A suspected telephoning hacking fraud was notified to TEO, and through it to the NIAO, in July 2018. This was investigated by the General Fraud Investigation Service. The provider has advised that it will not be seeking to recover the cost of the calls. Remedial action to address any weaknesses is in place. The GFIS report was completed in January 2019 and no further action was recommended. The report was considered by the Audit and Risk Committee at its meeting in May 2019. No further remedial action was required.

Managing Attendance

A Managing Attendance Policy is in place and quarterly indicators of staff absence are provided to the Commission and to the TEO Sponsoring Team. The figure for average days due to sickness per employee during 2017-18 was nine days. This year, the total average day's sickness absence per person is 5.5 days.

Complaints

The Commission has in place a formal procedure for dealing with service complaints. The procedure has three formal stages, culminating in a final appeal to the Chief Executive. The procedure provides general advice to assist potential complainants and includes a Complaints Form and guidance on how to contact the Commission's Complaints Co-ordinator. The Complaints Co-ordinator can assist with further guidance.

Should complaints not be resolved through the internal procedure, they may be referred to the Northern Ireland Public Services Ombudsman (NIPSO). Information on complaints dealt with under the procedure is reported in the Annual Report.

During 2017-18, the Commission received five complaints under its Customer Complaints Procedure; one was ongoing at the year-end. This complaint, relating to the alleged treatment of an applicant for legal assistance by a member of ECNI staff, was referred to NIPSO. During 2018-19, the Commission was notified by NIPSO that a decision has been made not to accept the complaint for investigation.

During 2018-19, the Commission received four complaints. Two of these were from the same individual. One was a complaint to the Information Commissioner's Office alleging a refusal of a Freedom of Information request.

The second complaint was to NIPSO, alleging failure to undertake an investigation. In the first case, the information was provided and the matter concluded. In the latter case, the matter is not being considered for investigation by NIPSO. The other complaints related to customer service. At the year-end, both of these were being progressed through the Commission's complaints procedure.

During 2015-16, a review of the Commission's complaints handling procedures was undertaken by the Commission's internal auditors. Substantial assurance was provided. An internal review of customer complaints and the complaints procedure took place this year.

Third Party Organisations

Although it has the vires to award grants under some of the legislation from which it derives its powers and duties, the Commission has not utilised its discretion in relation to the provision of such grants. The Commission provides a number of property management, ICT, financial and HR support services to a number of other arm's-length bodies.

Related party transactions are reported in the Annual Accounts.

External & Internal Audit Reports

The Commission's external auditor is the Comptroller and Auditor General (C&AG). Following completion of the audit, a Report to Those Charged with Governance containing the audit findings and associated recommendations is issued.

The Report to Those Charged with Governance, following the 2017-18 audit, was considered at the August 2018 ARC meeting. The Report contained one Priority three recommendation, relating to an asset disposal certificate that was not available for inspection. The certificate has now been received.

The Internal Audit Programme for 2018-19 was approved at the August 2018 meeting of the Audit and Risk Committee and has now been completed. The programme and assurance levels provided are summarised below.

Audit Area	Assurance Rating
Procurement systems and guidelines	Satisfactory
Legal Funding process / Legal database	Satisfactory
Advisory review of GDPR compliance	n/a
Business continuity arrangements	Limited

In PwC's Annual Report to the Audit and Risk Committee, the Head of Internal Audit's independent opinion provided a Satisfactory level of assurance for 2018-19.

Risk Management Status

The ongoing requirement for the effective management of budgetary reductions continues to be a risk facing the Commission. The Commission continues with its actions to reduce costs in staffing, the largest area of expenditure, and to deliver the budget reductions sought by its Sponsoring Department.

The Commission continues to operate in an environment of financial constraint and uncertainty and is required to manage the upward pressure from its staffing costs. To do so has involved a reduction in staff numbers over the past number of years.

The Commission has been able to do this through the management of flexible working arrangements, natural wastage and facilitating where practicable voluntary exit. Due to the increasing pressure on the Commission, resulting from continuing budget reductions, the risk rating in this area remains high.

During 2018-19, the Commission prepared two business cases for the opportunity to fund a number of voluntary exits under the Public Sector Restructuring Fund. These bids were approved. During the year, four staff availed of voluntary exits. Three further staff exits are scheduled for June 2019.

Following consultation with Central Procurement Directorate, the Commission has initiated a termination process in relation to a contract to provide a new legal database for the Commission. A formal settlement with the provider was agreed. No additional costs have been incurred by the Commission.

I am satisfied that the controls in place to manage risks for which I am responsible are appropriate. They provide reasonable assurance that the risk will not occur or if it does occur that it will be detected and corrected in sufficient time to reduce the impact of the risk to tolerable or negligible levels.

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 Northern Ireland Audit Office in its Report to Those Charged with Governance.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Commission and its Audit and Risk Committee.

The Commission's internal audit service submits reports on its work, 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.

The Commission receives quarterly reports on finance, staffing and progress against business plan targets. Minutes of each Audit and Risk Committee are presented and regular reports from the Chair of the Audit and Risk Committee and the Chief Executive are provided. The Commission formally approves the Corporate Risk Register at six monthly intervals and is advised on emerging risks and 'near misses'.

An assurance map has been prepared, outlining the scope and levels of assurance received and the different types and levels of data used by the Commission to undertake its governance responsibilities.

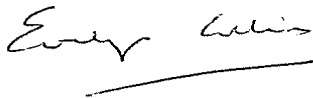
A Quarterly Stewardship report provided by the Accounting Officer is considered at each Audit and Risk Committee.

The Commission considers that the information provided is sufficient to enable it to discharge effectively its strategic planning and governance responsibilities.

Significant internal control issues

There are no significant internal control issues at present.

Signed by:

A handwritten signature in black ink, appearing to read 'Evelyn Collins', with a horizontal line underneath it.

Evelyn Collins CBE
Chief Executive and Accounting Officer
26 June 2019

2.2 Remuneration and Staff Report

This report sets out the policy for remunerating Commissioners and key staff with responsibilities in relation to directing and controlling the activities of the Commission, as well as statutory disclosures in relation to pensions, compensation for early retirement or loss of office. Fair pay disclosures are also included. The report also includes additional information on staff numbers and costs, staff composition, sickness absence data and exit packages.

2.2.1 Remuneration Report

Remuneration Policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS), is normally approved by the Minister of Finance. In the absence of an Executive, the Department of Finance's Permanent Secretary has set the 2018-19 NI public sector pay policy in line with the overarching HMT parameters and in a manner consistent with the approach taken by the previous Finance Minister in 2016-17. [The pay award for SCS staff for 2018-19 has not yet been finalised.]

The pay of senior civil servants (SCS) is based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance.

Service Contracts

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

Unless otherwise stated below, the staff covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Commissioners and the most senior management of the Commission.

**Remuneration (including salary) and pension entitlements
(Audited Information)**

Commissioners

Commissioner	Salary £'000	Bonus Payments £'000	2018-19 Benefits in kind (to nearest £100)	Pension Benefits (to nearest £'000)*	Total (£'000)	Salary £'000	Bonus Payments £'000	2017-18 Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)
Michael Wardlow Chief Commissioner	60-65 (FTE 75-80)	0	0	29	90-95 (FTE 105- 110)	55-60 (FTE 70-75)	0	0	37	95-100 (FTE 105- 110)
Dr Lesley Carroll Deputy Chief Commissioner	5-10	0	0	0	5-10	5-10	0	0	0	5-10
Deborah Donnelly	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Hazel Francey	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Judith Gillespie	0-5	0	0	0	0-5	0-5	0	0	0	0-5
William McKee	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Joseph McVey	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Robin Mullan	0-5	0	0	0	0-5	0-5	0	0	0	0-5
William Gamble	0-5	0	0	0	0-5	0-5	0	0	0	0-5

Commissioner	Salary £'000	Bonus Payments £'000	2018-19 Benefits in kind (to nearest £100)	Pension Benefits (to nearest £'000)*	Total (£'000)	Salary £'000	Bonus Payments £'000	2017-18 Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)
Tom Hartley	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Geraldine McGahey	0-5	0	0	0	0-5	0-5	0	0	0	0-5
David Rose	0-5	0	0	0	0-5	0-5	0	0	0	0-5
Duane Farrell	0-5	0	0	0	0-5	0	0	0	0	0
Helen Ferguson	0-5	0	0	0	0-5	0	0	0	0	0
Jarlath Kearney	0-5	0	0	0	0-5	0	0	0	0	0
Eileen Chan-Hu	0-5	0	0	0	0-5	0	0	0	0	0

Senior Management

Official	2018-19					2017-18				
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits (to nearest £'000)*	Total (£'000)	Salary £,000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Pension Benefits (£'000)*	Total (£'000)
Evelyn Collins Chief Executive	75-80	0	0	6	85-90	75-80	0	0	<4>	75-80
Keith Brown Head of Corporate Services	60-65	0	0	6	70-75	60-65	0	0	<1>	60-65
Eileen Lavery Head of Legal, Policy and Research	60-65	0	0	4	65-70	60-65	0	0	<5>	60-65

** The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases include increases due to inflation and any increase or decreases due to a transfer of pension rights.*

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No benefits in kind were paid to Commissioners or staff during this period.

Bonuses

Bonuses for staff are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2018-19 relate to performance in 2017-18 and the comparative bonuses reported for 2017-18 relate to the performance in 2016-17.

No bonus payments were paid to Commissioners in these years.

Total remuneration includes salary, non-consolidated performance related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Fair Pay Disclosure (Audited)

	2018-2019	2017-18
	£	£
Band of Highest Paid Employee - Chief Executive	75,000 – 80,000	75,000 – 80,000
Median Remuneration	31,760	31,446
Ratio	2.4	2.5

The Equality Commission for Northern Ireland is required to disclose the relationship between the remuneration of the highest paid employee in the organisation and the median remuneration of the Commission's workforce.

The banded remuneration of the highest paid employee in the Commission in the financial year 2018-19 was £75,000 to £80,000 (2017-18 was £75,000 to £80,000). This was 2.4 times (2017-18, 2.5 times) the median remuneration of the workforce, which was £31,760 (2017-18, £31,446).

In 2018-19, no employees received remuneration in excess of the highest paid employee, the Chief Executive.

Remuneration ranged from £18,000 to £80,000.

Pension Benefits (Audited Information)

	Accrued pension at age 60 as at 31/03/19 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV
Michael Wardlow Chief Commissioner	20 – 25 plus a lump sum of 0	0 – 2.5 plus a lump sum of 0	376	338	26
Evelyn Collins Chief Executive	35 - 40 plus a lump sum of 105-110	0 – 2.5 plus a lump sum of 0 – 2.5	858	803	9
Keith Brown Head of Corporate Services	25 - 30 plus a lump sum of 75-80	0 – 2.5 plus a lump sum of 0 – 2.5	570	542	6
Eileen Lavery Head of Legal, Policy and Research	30 - 35 plus a lump sum of 95-100	0 – 2.5 plus a lump sum of 0 – 2.5	722	695	3

The Equality Commission made no employer contributions to a Partnership Pension Account for any of the above individuals.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of the normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of the scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased from April 2019.

Employee contribution rates for all members from 1 April 2019 to 31 March 2020 are as follows:

Scheme Year 1 April 2019 to 31 March 2020

Annualised rate of Pensionable Earnings (Salary Bands)		Contribution rates - All members
From	To	From 01 April 2019 to 31 March 2020
£0	£23,500.99	4.6%
£23,501.00	£54,500.99	5.45%
£24,501.00	£150,000.99	7.35%
£150,001.00 and above		8.05%

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 final 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 as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (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 0.5% 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 the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**.

The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni.

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 pensions 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 CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does 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.

However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Compensation for loss of office

Eileen Lavery left under Voluntary Exit terms on 31 March 2019. She received a compensation payment of £30-£35k.

2.2.2 Staff Report

Staff and Commissioner costs (audited):

	Commissioner s	Permanently employed staff	Others	2018-19 Total	2017-18 Total
	£000s	£000s	£000s	£000s	£000s
Wages and Salaries	147	2,629	69	2,845	2,961
Social security costs	9	262	1	272	286
Other pension costs	18	602	4	624	652
Severance	0	189	0	189	124
Total net costs	174	3,682	74	3,930	4,023

Pension Disclosure

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but the Equality Commission is unable to identify its share of the underlying assets and liabilities. The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2012 scheme valuation was completed by GAD in February 2015. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2015 to 31 March 2019.

For 2018-19 employers' contributions of £624,313 were payable to the NICS pension arrangements (2017-18 £651,650) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands.

Work was completed on the 2016 valuation, based on the position as at 31 March 2016. The outcome of this scheme valuation informed employer contribution rates for 2019-20. Employer contributions rates payable will range from 28.7% to 34.2% of pensionable pay, based on salary bands. This change is primarily due to the reduction in the SCAPE discount rate (as announced at Budget 2018) to 2.4% pa above CPI. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires, and not the benefit paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No such employer contributions were made in this year.

Average number of persons employed (audited)

The average number of whole-time persons employed during the year was as follows:

Number	Permanently employed staff	Others	2018-19	2017-18
			Total	Total
Directly Employed	77	0	77	83
Other	0	0	0	1
Total	77	0	77	84

Compensation for Loss of Office (audited)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0
£10,000 - £25,000	0	2	2
£25,000 - £50,000	0	2	2
£50,000 - £100,000	0	0	0
£100,000 - £150,000	0	0	0
£150,000 - £200,000	0	0	0
Total number of exit packages	0	4	4
Total resource cost/£	0	99,827	99,827

Redundancy and other departure costs eg VES have been paid in accordance with the provisions of the Civil Service Compensation Scheme (Northern Ireland), a statutory scheme made under the Superannuation (Northern Ireland) Order 1972. Exit costs are accounted for in full in the year of approval from TEO.

Staff Composition (not wte)

The following table provides the gender composition of Equality Commission staff at 1 January 2019.

Grade	M	F	Total
Senior Civil Service	0	1	1
Other Staff	29	55	84
Total	29	56	85

The following table provides a breakdown of Commission staff by community background as at 1 January 2019.

Grade	P	RC	ND*	Total
Senior Mgt Team	2 (66.6%)	1 (33.3%)	0	3
All Staff	33 [38.8%]	52 [61.2%]	0	85

Six members of staff voluntarily resigned and four voluntary exits were progressed during the reporting year. The table below summarises the changes in the community composition of the Commission's workforce over the past five years.

Year (1 January)	P		RC		ND*	Total
	No.	[%]	No.	[%]	No.	No.
2015	44	[35.8]	79	[64.2]	3	126
2016	37	[37.4]	62	[62.6]	1	100
2017	36	[37.9]	59	[62.1]	0	95
2018	37	[38.9]	58	[61.1]	0	95
2019	33	[38.8]	52	[61.2]	0	85

* Community background could not be determined

Square bracket ‘[%]’ percentages are a percentage of total Catholics and Protestants only.

Managing Attendance and Sickness Absence

The Commission’s arrangements for the payment of Statutory Sick Pay and the monitoring and management of attendance are based on those in operation in the Northern Ireland Civil Service. The Commission has a Managing Attendance Policy and provides training to Managers and other staff on its operation.

The Commission’s number of average days lost in 2018-19 was 5.5 days, a decrease on last year’s 9 days. This was largely due to a reduction in long-term illnesses. Of the 5.5 days lost, 2.4 related to long term absence (more than 20 days) and 3.1 to short term absence (20 days or less). This compares to an equivalent 5.8 days for long and 3.2 days for short term absence last year.

During the year no staff retired early on grounds of ill-health.

Equality of Opportunity and Human Rights

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.

As an employer we recognise that ensuring equality in employment and eliminating workplace discrimination and harassment are essential for developing a diverse workforce, attracting high calibre employees and maximising performance. In line with this commitment, the Commission has developed its employment equality policies and practices in accordance with the requirements of each of the equality and anti-discrimination laws in Northern Ireland and with the good practice recommendations of the Equality Codes of Practice.

Almost one fifth of the Commission's employees report as having a disability or long-term health condition at some time. The Commission provides a range of reasonable adjustments to facilitate such employees, including amending job criteria and duties; providing flexible working arrangements; access to training and workstation assessments and adaptations. The Commission offers guaranteed interviews when recruiting or promoting and also provides adjustments for clients and customers.

Employee Involvement

The Commission encourages widespread consultation and exchange of information at all levels within the Commission.

This is implemented through staff briefings and the involvement of staff representatives on a Joint Consultative and Negotiating Committee. Staff are involved in key working groups dealing with business improvement and accreditation projects, equal opportunities, health and safety and corporate social responsibility and wellbeing.

Expenditure on Consultancy

There was no expenditure on consultancy in 2018-19 or in the previous year.

Off Payroll Engagements

There were no off payroll engagements during 2018-19 or 2017-18.

2.3 Assembly accountability and Audit report

Assembly Accountability Disclosure Notes

i. Losses and special payments (Audited)

Losses Statement

	2018-19	2017-18
	£	£
Total number of losses	Nil	Nil
Total value of losses (£000)	Nil	Nil
Details of losses over £250,000	Nil	Nil
Cash losses	Nil	Nil
Claims abandoned	Nil	Nil
Administrative write-offs	Nil	Nil

Special Payments

	2018-19	2017-18
	£	£
Total number of special payments	Nil	Nil
Total value of special payments	Nil	Nil

There were no special payments over £250,000.

Other notes

ii Fees and Charges (Audited)

There were no fees and charges for the reuse of any information the Commission holds.


iii Remote Contingent Liabilities (Audited)

The Commission has no known liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability.

iv Gifts

There were no gifts received with a value greater than £50.

Signed by:

A handwritten signature in black ink, appearing to read 'Evelyn Collins', with a horizontal line underneath it.

Evelyn Collins CBE
Chief Executive and Accounting Officer
26 June 2019

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

Opinion on financial statements

I certify that I have audited the financial statements of the Equality Commission for Northern Ireland for the year ended 31 March 2019 under the Northern Ireland Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Equality Commission for Northern Ireland's affairs as at 31 March 2019 and of the Equality Commission for Northern Ireland's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Northern Ireland Act 1998 and The Executive Office directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Equality Commission for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Other Information

The Accounting Officer is responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with The Executive Office directions made under the Northern Ireland Act 1998; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Northern Ireland Act 1998.

My objectives are to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report⁵ to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or

the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

3 July 2019

Equality Commission

for

Northern Ireland

Financial Statements

for the 12 months ended

31 March 2019

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.


	Note	2018/19 £000	2017/18 £000
Revenue from contracts with customers	4	83	74
Other operating income	4	353	328
Total Operating Income		436	402
Staff Costs	3	(3,930)	(4,023)
Purchase of goods and services	3	(1,404)	(1,414)
Depreciation and amortisation	5&6	(111)	(109)
Impairment	6	(29)	0
Provisions	11	(267)	(307)
Total operating expenditure		(5,741)	(5,853)
Net Operating Expenditure		(5,305)	(5,451)
Other comprehensive net expenditure			
Items that will not be reclassified to net operating expenditure:			
Net gain/(loss) on revaluation of Plant and Equipment	5&6	1	3
Comprehensive net expenditure for the year		(5,304)	(5,448)

The notes on pages 63 to 74 form part of these accounts

Statement of Financial Position as at 31 March 2019

This statement presents the financial position of the Equality Commission. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	2018/19 £000	2017/18 £000
Non-current assets:			
Plant and equipment	5	182	231
Intangible assets	6	92	166
Total non-current assets		274	397
Current assets:			
Inventories		19	3
Trade and other receivables	9	92	112
Cash and cash equivalents	8	179	12
Total current assets		290	127
Total assets		564	524
Current liabilities:			
Trade and other payables	10	(457)	(321)
Total current liabilities		(457)	(321)
Total assets less current liabilities		107	203
Non-current liabilities			
Provisions	11	(124)	(164)
Total non-current liabilities		(124)	(164)
Total assets less total liabilities		(17)	39
Taxpayers' equity and other reserves			
General reserve		(74)	(17)
Revaluation reserve		57	56
Total equity		(17)	39

The financial statements on pages 58 to 74 were approved by the Board on 26 June 2019 and were signed on its behalf by: 

Dr Evelyn Collins CBE, Chief Executive and Accounting Officer.
The notes on pages 63 to 74 form part of these accounts

Statement of Cash Flows for the year ended 31 March 2019

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Commission during the reporting period. The statement shows how the Commission generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Commission. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Commission's future public service delivery.

	Note	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Net operating expenditure		(5,305)	(5,451)
Adjustments for non-cash transactions			
Depreciation		67	74
Amortisation		44	35
Impairment		68	0
Increase in provisions		267	307
(Increase)/decrease in trade and other receivables		4	(10)
Increase/<decrease> in trade and other payables		136	(3)
Use of provisions		(307)	(220)
		<hr/>	<hr/>
Net cash outflow from operating activities		(5,026)	(5,268)
Cash flows from investing activities			
Purchase of plant and equipment	5	(18)	(20)
Purchase of intangible assets	6	(37)	(40)
		<hr/>	<hr/>
Net cash outflow from investing activities		(55)	(60)
Cash flows from financing activities			
Financing from TEO		5,248	5,261
		<hr/>	<hr/>
Net cash flow from financing activities		5,248	5,261
		<hr/>	<hr/>
Net increase/<decrease> in cash and cash equivalents in the period		167	(67)
Cash and cash equivalents at the beginning of the period		12	79
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	8	179	12
		<hr/>	<hr/>

The notes on pages 63 to 74 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

This statement shows the movement in the year on the different reserves held by the Commission. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the Commission, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2017		173	53	226
Grant from TEO		5,261	Nil	5,261
Comprehensive net expenditure for year		(5,451)	3	(5,448)
Balance at 31 March 2018		(17)	56	39
Grant from TEO		5,248	Nil	5,248
Comprehensive net expenditure for year		(5,305)	1	(5,304)
Balance at 31 March 2019		(74)	57	(17)

The notes on pages 63 to 74 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with paragraph 7(2) of the Northern Ireland Act 1998 and the 2018-19 Government Financial Reporting Manual (FReM) issued by the Department of Finance. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Equality Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Non-Current assets

Non-current assets are fully funded by The Executive Office (formerly Office of the First Minister and Deputy First Minister). Plant and equipment have been valued at historic cost revalued by indices published by the National Statistics Office. A capitalisation threshold of £500 has been applied. Intangible assets (computer software and licences) are valued at historic cost.

1.3 Depreciation and Amortisation Rates

Depreciation and amortisation are provided on all non-current assets at rates calculated to write off the cost of each asset over its expected life with rates as follows:

IT Equipment	25-33%
Office Equipment	10-33%
Furniture	10%
Fixtures & Fittings	10-33%
Intangible Assets	25-33%

1.4 Inventories

The value of inventories of consumables is immaterial and the Commission does not attribute value for consumable inventories in the accounts as required.

1.5 Income

All income from operations is credited to the Statement of Comprehensive Net Expenditure. Income is based on full cost recovery of services provided.

1.6 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. They are credited to the SoCNE Reserve because they are regarded as contributions from a controlling party.

1.7 Leased Assets

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and benefits to the lessee. Rentals under operating leases are expensed to the Statement of Comprehensive Net Expenditure as incurred.

1.8 Financial Instruments

Financial assets and liabilities are recognised on the Statement of Financial Position when the Commission becomes a party to a contractual provision of the instrument. The Commission's financial assets and liabilities are classified as Loans and Receivables and are held at cost which approximates to their fair value because of their short maturities.

1.9 Provisions

The Commission makes provision for liabilities and charges where, at the Statement of Financial Position date, a legal or constructive liability exists (that is a present obligation from past events exists), where the transfer of economic benefits is probable and a reasonable estimate can be made. IAS 37 requires that where the effect of the time value of money is material the amount of a provision should be the present value of the expenditures expected to be required to settle the obligation. Where cash flows have been adjusted for risk the standard requires the use of a risk free discount rate.

1.10 Legal Fee Provisions

The Commission makes provision for expenditure authorised for legal assistance with letters of commitment to individuals before legal assistance is commissioned to an external provider.

1.11 Pensions

Past and present employees are covered by the provisions of Civil Service Pensions (NI). The CSP (NI) is a non-funded 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 completed by Government Actuary's Department (GAD) in February 2015 and these details are available in the CSP (NI) resource accounts.

1.12 VAT

The Commission is not registered for VAT.

1.13 Staff Costs

Under IAS19, Employee Benefits legislation, all staff costs must be recorded as an expense as soon as an organisation is obligated to pay them. This includes the cost of any holiday pay and flexible time owed at the year end.

2. Statement of operating costs by issue

The Commission can be treated as a single operating segment, however under Schedule 8 para 5(2) of the Northern Ireland Act 1998 it is required to give details of how resources have been divided between the functions previously exercised by the bodies dissolved at the time of its formation.

	Salaries & Associated Costs £000	Programme Costs £000	*Other Costs £000	12 mths to 31/03/2019 Total £000	Salaries & Associated Costs £000	Programme Costs £000	*Other Costs £000	12 mths to 31/03/2018 Total £000
Integrated/ New Areas	713	285	178	1,176	856	349	212	1,417
Disability	514	93	128	735	486	61	120	667
Religion & Politics	506	14	127	647	547	14	135	696
Gender	389	73	97	559	385	59	95	539
Race	185	18	46	249	202	20	50	272
Statutory Duty	352	2	88	442	365	1	90	456
Resources	581	0	143	724	589	0	145	734
Executive	327	0	82	409	309	0	77	386
Total Costs	3,567	485	889	4,941	3,739	504	924	5,167
Members Costs	174	0	0	174	160	0	0	160
Other Costs	189	0	0	189	124	0	0	124
Total	3,930	485	889	5,304	4,023	504	924	5,451

* Other costs include general overheads, premises and non-cash costs less income from activities.

3. Expenditure

	2018/19	2017/18
	£000	£000
Staff costs		
Salaries and fees	2,794	2,943
Social Security Cost	272	286
Other pension costs	624	652
Agency	51	18
Severance	189	124
Rentals under operating leases		
Buildings	516	560
Annual contracts	32	42
Rates	189	186
Fuel	85	72
Facilities Management	137	135
Repairs and Maintenance	46	50
Legal – Non-database Costs	24	40
Education and Promotions	112	99
Other Programme	81	58
Miscellaneous	99	94
Consumables	33	37
Legal Costs	30	16
Staff Related Costs	20	25
Depreciation and Amortisation	111	109
Impairment	29	
Legal Provision charge	267	307
	5,741	5,853

4. Income

	2018-19	2017-18
	Total	Total
	£000	£000
Revenue from contracts with customers	83	74
Other operating income	353	328
	436	402

All income is based on full cost recovery.

Revenue from contracts with customers relates to Service Level Agreements with other ALBs.

Other operating income relates to offset of premises costs by co-tenants.

5. Plant and equipment 2018-19

	Information Technology £000	Office Equipment £000	Furniture £000	Fixtures & Fittings £000	Total £000
Cost/Valuation					
At 1 April 2018	388	106	260	342	1,096
Additions	18	0	0	0	18
Disposals	(4)	0	0	0	(4)
Revaluations	1	0	4	1	6
At 31 March 2019	403	106	264	343	1,116
Depreciation					
At 1 April 2018	345	84	260	176	865
Charged in year	23	6	0	38	67
Disposals	(4)	0	0	0	(4)
Revaluations	1	0	4	1	6
At 31 March 2019	365	90	264	215	934
Carrying amount at 31 March 2019	38	16	0	128	182
Carrying amount at 31 March 2018	43	22	0	166	231
Asset Financing					
Owned	38	16	0	128	182
Finance lease	0	0	0	0	0
Carrying amount at 31 March 2019	38	16	0	128	182

Plant and equipment are revalued annually by reference to the indices issued by the Office for National Statistics for the different types of assets.

Note 5 continued

2017-18	Information Technology £000	Office Equipment £000	Furniture £000	Fixtures & Fittings £000	Total £000
Cost/Valuation					
At 1 April 2017	369	103	255	336	1,063
Additions	15	1	0	4	20
Disposals	(4)	0	0	0	(4)
Revaluations	8	2	5	2	17
At 31 March 2018	388	106	260	342	1,096
Depreciation					
At 1 April 2017	304	74	254	150	782
Charged in year	38	9	1	25	73
Disposals	(4)	0	0	0	(4)
Revaluations	7	1	5	1	14
At 31 March 2018	345	84	260	176	865
Carrying amount at 31 March 2018	43	22	0	166	231
Carrying amount at 31 March 2017	65	29	1	186	282
Asset Financing					
Owned	43	22	0	166	231
Finance lease	0	0	0	0	0
Carrying amount at 31 March 2018	43	22	0	166	231

Plant and equipment are revalued annually by reference to the indices issued by the Office for National Statistics for the different types of assets.

6. Intangible assets

Intangible assets comprise software and licenses.

2018-19	Information Technology £000	Software Licences £000	Total £000
Cost or Valuation			
At 1 April 2018	96	178	274
Additions	0	37	37
Impairment	(67)	0	(67)
At 31 March 2019	29	215	244
Amortisation			
At 1 April 2018	25	83	108
Charged in year	3	41	44
Disposals	0	0	0
At 31 March 2019	28	124	152
Carrying amount at 31 March 2019	1	91	92
Carrying amount at 31 March 2018	71	95	166
Asset financing:			
Owned	1	91	92
Finance Leased	0	0	0
Carrying amount at 31 March 2019	1	91	92

Note 6 continued

2017-18	Information Technology £000	Software Licences £000	Total £000
Cost or Valuation			
At 1 April 2017	96	143	239
Additions	0	41	41
Disposals	0	(6)	(6)
At 31 March 2018	96	178	274
Amortisation			
At 1 April 2017	21	58	79
Charged in year	4	31	35
Disposals	0	(6)	(6)
At 31 March 2018	25	83	108
Carrying amount at 31 March 2018	71	95	166
Carrying amount at 31 March 2017	76	85	161
Asset financing:			
Owned	71	95	166
Finance Leased	0	0	0
Carrying amount at 31 March 2018	71	95	166

7. Financial Instruments

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

8. Cash and cash equivalents

	2018-19 £000	2017-18 £000
Balance at 1 April	12	79
Net change in cash and cash equivalents	167	(67)
Balance at 31 March	<u>179</u>	<u>12</u>
The balance at 31 March was held at the Government Banking Service	179	12
Cash In Hand	0	0
Balance at 31 March	<u>179</u>	<u>12</u>

9. Trade receivables and other current assets

	2018-19 £000	2017-18 £000
Amounts falling due within one year:		
Inventories	19	18
Prepayments	92	95
Accrued Income	0	3
Other Receivables	0	0
	<u>111</u>	<u>116</u>

10. Trade payables and other current liabilities

	2018-19 £000	2017-18 £000
Amounts falling due within one year		
Accruals and deferred Income	457	321
	<u>457</u>	<u>321</u>

11. Provisions for liabilities and charges

	2018-19	2017-18
	Legal Costs	Legal Costs
	£000	£000
Balance at 1 April	164	77
Provided in the year	322	362
Provisions not required written back	(55)	(55)
Provisions utilised in the year	(307)	(220)
	<hr/>	<hr/>
Balance at 31 March	124	164

The Commission makes provision for expenditure authorised for legal assistance before it is committed to an external provider. It is not possible to determine the time period for each case.

12. Capital commitments

	2018-19	2017-18
	£000	£000
Contracted capital commitments at 31 March 2019 not otherwise included in these financial statements		
Plant and equipment	0	0
Intangible assets	0	0

13. Commitments under leases

13.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2018-19 £000	2017-18 £000
Obligations under operating leases comprises:		
Buildings		
Not later than one year	516	516
Later than one year and not later than five years	688	1,204
Later than five years	0	0
Other:		
Not later than one year	4	5
Later than one year and not later than five years	1	5
Later than five years	0	0

13.2 Finance Leases

The Commission had no commitments under finance leases.

14. Other financial commitments

The Commission had no other financial commitments at 31 March 2019 or 31 March 2018.

15. Contingent liabilities disclosed under IAS 37

A contingent liability has been included in relation to a potential liability for holiday pay. There are a number of uncertainties in terms of calculating a reliable estimate including the period to be covered; consideration as to what is deemed regular/routine overtime; the identification and potential inclusion of other allowances and the categories of staff affected. I am content that it is appropriate to include a contingent liability as opposed to a provision at this stage as a reasonable estimate cannot be made. The Commission had no other known contingent liabilities at 31 March 2019 or 31 March 2018.

16. Related-party transactions

The Equality Commission for Northern Ireland is a non-departmental public body sponsored by The Executive Office (TEO). TEO is regarded as a related party with which the Commission has had various material transactions during the year.

In addition, the Commission has had various material transactions with other central government bodies:

- TEO
(£5,248,000 of which £0 was outstanding at the year end),
- the Northern Ireland Commission for Children and Young People
(£153,414 of which £0 was outstanding at the year end),
- the Commission for Victims and Survivors
(£75,323 of which £20 was outstanding at the year end),
- the Northern Ireland Human Rights Commission
(£12,900 of which £0 was outstanding at the year end),
- the Commissioner for Older People Northern Ireland
(£104,879 of which £0 was outstanding at the year end),
- the Northern Ireland Judicial Appointments Commission
(£700 of which £0 was outstanding at the year end),
- the Community Relations Council for Northern Ireland
(£103,683 of which £0 was outstanding at the year end).
- the Crown Solicitors Office Northern Ireland
(£1,169 of which £0 was outstanding at the year end).

No Commissioner or key management executive has undertaken any material transactions with the Equality Commission during the year.

There were no other related party transactions.

17. Third-party assets

The Commission had no third-party assets at 31 March 2019 or 31 March 2018.

18. Events after the Reporting Period

There were no events after the reporting period impacting on these statements.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 26 June 2019.

Performance Delivery against planned objectives 2018-19

Strategic Priority Area 1 Putting the legislation to work

Business Plan objective		Assessment			Evidence for delivery / explanation for non-
		Met	Partly met	Not met	
1.1	Combatting discrimination and promoting equality rights		✓		<p>Substantial increases in discrimination enquiries and continuing successes with legal assistance outcomes on behalf of complainants and in generating media profile for outcomes.</p> <p>Further work required to enable consultation on new legal enforcement strategy, delivery of recommendations from Commissioner 'Strategic considerations' work and data development.</p>
1.2	Promoting equality of opportunity.	✓			<p>Continued positive feedback and evidence of increased awareness, from equality advice work with employers and service providers and from training and guidance inputs. High profile with employers for partnership work on mental health in the workplace. Increase in sign up to Every Customer Counts and Mental Health Charter initiatives. Range of improvements to provide improved on-line service delivery being considered. Substantial progress on review of the Commission's approach to section 75 complaints and investigations strategy and procedures.</p>

1.3	Ensuring compliance and advising public authorities on fulfilling of their statutory equality and good relations duties	✓			Continuing high levels of FETO compliance. Increased compliance with Equality Scheme requirements. Programme of ongoing advice and guidance activities initiated to improve the quality of section 75 assessments. Public authority Disability Action Plan evaluations starting to indicate improvements. Final report and consultation report of Section 75 – Acting on the evidence of public authority practices, published. Responding to increase in complaints about equality schemes.
1.4	Review and seek to improve equality relevant legislation (with a particular focus on Age-GFS, Race, Gender Pay, Fair Employment and Disability); including in the context of UK's exit from the EU and wider reforms.	✓			Indications that increased partnership working is providing platform for, and evidence of, increased awareness and advocacy for Commission policy positions in key areas. ECNI Brexit and wider equality law reform positions, included in Observations of UN-CEDAW Committee, UN Special Rapporteur on racism, and key stakeholder events and reports. However, ongoing absence of Executive & legislative Assembly limits potential to secure changes to law and public policy.
1.5	Promote, protect and monitor implementation of the UNCRPD, in fulfilment of our remit as 'independent mechanism'.	✓			Recommendations on Disability and Welfare Reform referenced in debates in the House of Lords and Westminster Hall. Awareness of key ongoing issues raised via 'One Year On' report to CRPD Committee; and submission to UN Special Rapporteur on Poverty. Engagement with Department for Communities to continue to highlight CRPD concluding observations. Ongoing work with stakeholders on identification and advocacy of key issues and actions under CRPD.

Business Plan objective		Assessment			Evidence for delivery / explanation for non-
		Met	Partly met	Not met	
2.1	Secure Key Equality and Good Relations commitments in the Programme for Government; Budget and related strategies; and in Departmental Delivery / Action Plans	✓			<p>Given the background environment referred to above, The Commission's focus this year was on engagement with Department's and there are indications of increased awareness and interest in Commission positions and proposals, following publication of policy priorities in education and housing.</p> <p>The working draft of bullying guidance and the draft 'Looked After Children' Strategy adopted ECNI recommendations; The Education Authority has indicated its intention to adopt measures aligned to ECNI recommendations. NIHE has adopted a range of measures aligned to ECNI recommendations. CEDAW Concluding Observations supported ECNI employment recommendations on Childcare and gender pay strategy and reporting.</p>
2.2	Development, delivery, and/or review of co-ordinated equality frameworks - disability; gender; age sexual orientation; race; religion		✓		<p>There is limited in-year evidence of the development or delivery of cross-departmental equality frameworks or strategies, largely in the context of the absence of an Executive and legislative Assembly. The Commission has engaged with Departments towards securing the maintenance, or in some case establishment, of stakeholder oversight groups for disability; race; Travellers and other areas, to design and review key interventions; and has engaged with stakeholders to distil updated priorities for action, with some success.</p>

2.3	Further establish and enhance the evidence base of key inequalities in Northern Ireland	✓			<p>Statement of Key Inequalities in Participation in public life published.</p> <p>Briefing paper prepared with additional evidence and identification of themes in relation to barriers to harmonious working environments. Surveys of employees and employers experiences of harassment completed.</p> <p>Annual Report of monitoring data (2017) completed and published.</p>
2.4	Challenge and support Government to fulfil equality aspects of International framework obligations (CEDAW, CERD, FCNM, ECRI)	✓			<p>CEDAW Committee’s Concluding Observations provide support for ECNI recommendations) UN Special Rapporteur on racism supported ECNI calls to address gaps in racial equality law in Northern Ireland; and called for action to address structural racism.</p> <p>UN Rapporteur on Poverty utilised ECNI key inequalities research; and echoed ECNI concerns about a welfare reform mitigations in NI;</p> <p>Advocacy by key partner organisations and other NGOs.</p>

Strategic Priority Area 3 Championing Equality and Good Relations

Business Plan objective		Assessment			Evidence for delivery / explanation for non-
		Met	Partly met	Not met	
3.1	Increasing awareness and knowledge of Equality and the Commission's work	✓			Stakeholder surveys to develop engagement plans for key customers. Social media usage reviewed. All social media platforms experiencing growth. A review of accessibility of the website was undertaken and improvements and remedial actions identified. This year saw the number of website users rising by 30%
3.2	Wider Public engagement, particularly with traditionally 'hard to reach' groups	✓			Used analyses of completed stakeholder surveys to review Communications strategy and engagement plans for 'harder to reach groups'. We have worked creatively and in partnership to reach new audiences and saw progress in developing our engagement with people with disabilities and Traveller groups. We continue to work in partnership with other key groups in the areas of sexual orientation, gender identity and race.

Strategic Priority Area 4 Delivering equality effectively and efficiently

Business Plan objective		Assessment			Evidence for delivery / explanation for non-
		Met	Partly met	Not met	
4.1	Meeting the challenge of the public sector financial environment to effectively resource business plans and objectives	✓			Operated within allocated budget, avoiding overspend and managing underspend within tolerance level of 1.5%. Effective action taken to address financial constraints, including timely responses to VES.
4.2	Ensure effective governance and internal control.	✓			Annual Report and Accounts 2017/18 prepared and published in timely manner. Positive Report to those Charged with Governance. Strategic Audit Plan delivered; overall assurance rating of Satisfactory. Adequate preparations for compliance with new General Data Protection Regulations.
4.3	Encouraging sustainability and improvement	✓			New OBA focused Corporate Plan 2019/22 and annual Business Plan 2019/20 submitted for approval. Gold level IIP recognition obtained following March 2017 assessment. Staff engagement survey undertaken by IIP in November. Reviews of Business Improvement strategy and People Plan completed and preparations underway for future EFQM and IIP accreditations.

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