



Annual Report and Accounts

1st April 2019 – 31st March 2020

“Achieving Excellence through People”



The Local Government Staff Commission
for Northern Ireland



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CHAIRPERSON'S FOREWORD

I have pleasure in introducing the Local Government Staff Commission's Annual Report and Accounts for 2019/20.

It has still not been possible to have the necessary Dissolution Order in place to wind up the Commission as planned; the extraordinary external pressures of the Covid-19 pandemic have contributed to this delay. As a result, the Department for Communities (DfC) reconstitution of the Commission's membership with effect from 01 April 2017 up to the final dissolution date remains in place. On this basis, the Commission has developed a further 2-year Management and Dissolution Plan (2019-21) to enable it to continue to implement its statutory duties until it is dissolved.

Throughout the year the Commission has continued to provide all necessary services with some of the non-statutory work of the Commission being outsourced or passed to councils.

The services provided to local government and the NI Housing Executive by the Commission continued at a high level in spite of the reduced staffing level and staff morale has been maintained during a period of continuing uncertainty.

The 2019/20 year was busy, and assistance was provided to councils in the following areas:

- Consulting on a revised Code of Conduct for Local Government Officers
- Continuing to support the work of the Equality and Diversity Strategic Working Group
- Continuing to support councils with the recruitment of senior officers
- Continuing provision of advisory and support services
- Providing a conference in December 2019 on Leading through Innovation and Transformation
- Providing an independent secretariat to council working groups and HR panels

I would like to take this opportunity to pay tribute to all the Commission Members and in particular my predecessor, Brian Hanna and the officer team headed by the Director of Corporate Services, Helen Hall, and to thank them all for their professionalism and dedication to the service throughout this challenging period in the Commission's history.



Bumper Graham
Chairperson

DIRECTOR OF CORPORATE SERVICES' / ACCOUNTING OFFICER'S REPORT

Throughout 2019/20 the Commission concentrated on delivering the objectives that were set out in the Management and Dissolution Plan April 2019 to Dissolution. This defined our overall objectives and key performance areas for the year as detailed below:

Key Area 1 – Essential Statutory Functions

The delivery of the Commission's statutory functions during the management and dissolution period and the integration of designated functions within councils, including:

- Advisory Appointments Panels
- Code of Procedures on Recruitment & Selection
- Code of Conduct for Local Government Officers
- Negotiating Machinery

Key Area 2 – Oversight of Statutory Functions Transferred to Councils on Dissolution

To maintain oversight of the functions already transferred to councils in line with the planned 31 March 2017 dissolution date and in addition continue to provide:

- Advisory and support services
- Monitoring of Fair Employment Practices

This oversight ensures the proper discharge of the Commission's functions during the pre-dissolution period.

Key Area 3 – Corporate Governance

To ensure continuing good governance, accountability and operational management of the Commission as a statutory body, including:

- Provision & maintenance of a sound system of control (audit, risk etc.)
- Finance and Administration
- Orderly Dissolution Arrangements

PERFORMANCE

All staff take personal responsibility for ensuring that the objectives as detailed in the Plan are met in their day-to-day work and areas of responsibility are individually assessed. These objectives are challenging and regular monitoring takes place to ensure compliance and detailed reports are presented to the Commission annually.

KEY AREAS OF WORK IN SUMMARY

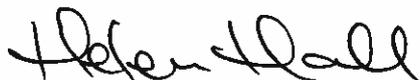
This section highlights some of the activities the Commission has undertaken in 2019/20. All our strategic objectives were matched with outputs and related to initiatives to ensure increased effectiveness. To provide a full understanding of the work of the Commission this section should be read in conjunction with the Operating Review (page 5) which provides greater detail of the results achieved in relation to the objectives as set out in the Management and Dissolution Plan.

As previously stated, it was not possible to have the necessary 'Local Government Staff Commission (Dissolution) Order (Northern Ireland)' in place to wind up the Commission as planned.

Accordingly, the Department for Communities (DfC) reconstituted the Commission membership with effect from 01 April 2017 (up to the final dissolution date) and consequently the Commission developed a Management and Dissolution Plan to enable it to continue to implement its statutory duties and for staff to be made compulsory redundant on a phased basis as the non-statutory work of the Commission is gradually passed to councils.

The Management and Dissolution Actions relate to main Key Performance Areas as follows:

- Assistance was provided to councils, as required, with the recruitment process to fill senior posts in the new councils.
- Observers participated in 28 recruitment panels for senior posts and administered Chief Executive recruitment exercises on behalf of Newry Mourne and Down, Arc21 and Fermanagh and Omagh.
- Advice and guidance was provided to councils and the NIHE on implementing the Code of Procedures in Recruitment and Selection.
- There were continuing attempts to support the formation of new negotiating machinery, and some progress was made in the discussions with stakeholders in partnership with the Labour Relations Agency.
- Advisory services were provided in relation to employee relations problems and general HR practices.
- A conference entitled 'Leading through Innovation and Transformation' was held for councils and the NIHE in December 2019.
- During the year Commission officers continued to support and attend joint working groups, for example, the Equality and Diversity Group, the Recruitment Working Group, PPMA NI, the Statutory Duty Network and the Diversity Champions' Network.
- In order to support an integrated system of management controls, the Commission's Audit Committee met regularly and reviewed the Audit Reports, undertook a full review of the Risk Register and provided scrutiny and challenge in the completion of the Departmental Security Health Check which measures compliance with the minimum security standards (covering Cyber, Personnel, Physical, and Incident Management).
- Instituted a Mental Health for Local Council's initiative to support employee well-being and attendance management.
- Published two newsletters (LGSC News) which provides updates from stakeholders and key areas of work of the Commission.



HELEN HALL
Director of Corporate Services and Accounting Officer

OPERATING, FINANCIAL AND MANAGEMENT REVIEW **for the year ended 31 March 2020**

Background Information

The Local Government Staff Commission for Northern Ireland (the Commission) is an executive non-departmental public body sponsored by the Department for Communities (DfC) and established under the Local Government Act (Northern Ireland) 1972: as amended by the Finance Act 2011. Its powers were further extended under the Housing Orders (NI) 1976 and 1981 and the (Miscellaneous Provisions) (NI) Order 1992.

The Commission's principal function is to:

'exercise general oversight of matters connected with the recruitment, training and terms and conditions of employment of officers of district councils and the Northern Ireland Housing Executive and of making recommendations to district councils and the Northern Ireland Housing Executive on such matters.'

Specific functions are:

- developing good practice in HR management (in conjunction with wider public sector partners);
- initiating HR policy development, evaluation and review;
- acting as a single point of entry to the local government sector for major consultation exercises on HR related issues;
- representing local government on HR related issues as necessary;
- providing and/or recommending independent expert consultancy support;
- hosting and planning events on HR related topics to inform policy developments and legislative change;
- providing access to expert employment-specific legal advice and providing employment law updates;
- facilitating capacity building initiatives and promoting co-operation in the Public Sector;
- constituting and facilitating local government-specific and cross-sectoral working groups;
- arranging conferences, seminars and other networking mechanisms.

The accounts of the Commission have been prepared under a direction given by the Department for Communities, with the approval of the Department of Finance, in accordance with paragraph 11 of schedule 3 of the Local Government Act (Northern Ireland) 1972 (as amended). Accordingly, the Commission's accounts have been prepared on an accruals basis.

Results for the Year

The financial results of the Commission's operation in 2019/20 are set out in detail on page 24 of this annual report and accounts. The deficit for the year for net expenditure after interest was £129k compared with a deficit of £130k for 2018/19.

Dissolution Costs

As a result of the proposed dissolution of the Commission, as at 31 March 2020 there was an estimated liability of £1,539,000 due to exit costs from the NILGOSC pension scheme (£1,371,000) and redundancy costs (£168,000). Of this estimated liability, £1,037,000 was included in the provision, not later than one year, and £502,000 was included in the pension liability (see Notes 12 and 13). These costs will be met by the Department for Communities. Up to 31 March 2020, £907k has been paid out for redundancy costs.

Pension Liabilities

The Commission participates in the Northern Ireland Local Government Superannuation Committee (NILGOSC) Scheme for its employees. This year the Commission obtained IAS 19 actuarial valuations and consequently the resulting net liability and IAS 19 disclosures have been highlighted in these financial statements (see Note 13).

Fixed Assets

Details of the movement of fixed assets are set out in Note 7 to these accounts.

Principal Risks and Uncertainties

- **Capacity to Handle Risk**

Procedures are implemented to identify risks associated with the implementation of the Commission's key objectives and a control strategy is put in place for each significant risk and ownership allocated to appropriate staff.

- **The Risk and Control Framework**

The risk management strategy is fully embedded into the work and future planning work of the Commission and all staff are trained in the management of risk and have an input into the regular ongoing reviews of the risk management process.

Risk management has been incorporated into the Commission's policy and decision-making process and risk procedures are regularly reviewed and updated in line with experience and best practice.

Charitable Donations

There were no charitable donations made during 2019/20.

Payment to Suppliers

The Commission is committed to the prompt payment of suppliers for goods and services within 10 working days on receipt of invoice, in accordance with the Better Payment Practice Code. Unless otherwise stated in the contract, payment is due within 30 days from the receipt of the goods or services by the Commission, or on presentation of a valid invoice or similar demand to the Commission, whichever is later. During the year, the Commission paid 474 invoices, six of which were paid outside the 30-day target (see Note 17).

Research and Development

The Commission is committed to an ongoing programme of research to develop and improve service provision. During the year, the Commission carried out research into mental health and its impact on employee health and well-being and attendance management. The Commission also continued its research into women's development within local government.

Business Review

The Commission prepares strategic and business plans for each area of responsibility and monitors performance against key performance targets. A full review of the Commission's activities is provided on pages 8 to 12 of this Annual Report. The current Management and Dissolution Plan is available on request from Commission offices and is available on the Commission's website (www.lgsc.org.uk).

Important Events Occurring After the Year End

There have been no significant events since the year-end 31 March 2020, which would affect these accounts.

Members

Membership of the Commission is set out in Appendix 2 of the 2019/20 Annual Report. A Register of Members' Interests is held in Commission offices.

Equality Scheme

In pursuance of Section 75 of the Northern Ireland Act 1998, the Commission has prepared an equality scheme, which has been approved by the Equality Commission. This scheme details the Commission's commitment to, and proposals for, fulfilling the statutory obligations to promote equality of opportunity and good relations.

Employee Involvement

The Commission was committed to the involvement of employees in the decision-making process and to their development to ensure the highest standards in the delivery of all services. Learning and development opportunities were provided to all employees and a supportive culture of employee engagement exists.

Environmental, Social and Community Issues

The Commission operated in a political environment and was required to be adaptable to the changing central and local government structures. In developing policies and procedures special attention was paid to legislative changes in employment matters and the need to conform to the obligations placed on public bodies by Section 75 of the Northern Ireland Act 1998.

Covid-19 Pandemic

The Commission reacted in a professional manner in response to the Covid-19 pandemic. Effective business continuity and governance arrangements were put in place to ensure 'business as usual', with the ability to deliver the full range of services remotely.

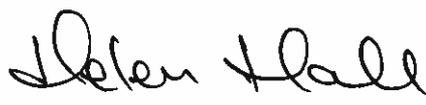
Disclosure of Audit Information

There is no relevant audit information of which the Commission's auditors are unaware.

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

No fees have been raised, either this year or last year, in respect of non-audit work.

Signed:



HELEN HALL
Director of Corporate Services
and Accounting Officer
24 November 2020



BUMPER GRAHAM
Chairperson, Local Government Staff Commission

**KEY PERFORMANCE AREA 1
ESSENTIAL STATUTORY FUNCTIONS**

1. ADVISORY & APPOINTMENT PANELS and CODE OF PROCEDURES ON RECRUITMENT & SELECTION

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Advise councils and the NIHE in relation to the implementation of the Code of Procedures on Recruitment and Selection, and on best practice in recruitment and selection, including:</p> <ul style="list-style-type: none"> Assist councils to recruit Chief Executives and other senior officers, as detailed in the Code of Procedures on Recruitment and Selection Provide Observers to attend selection panels for senior posts in councils and the NIHE Advise on best practice in the use of assessment centres and how recruitment exercises can be made more objective and transparent <p>Issue a new Code of Procedures to councils to coincide with the dissolution order</p>	<p>Assist councils to implement the Code of Procedures on Recruitment & Selection, and provide advice on best practice in recruitment and selection as required</p> <ul style="list-style-type: none"> Continue to provide assistance to councils to recruit senior posts in line with agreed procedures Review Observer reports on selection panels and make recommendations to councils Ensure continuity in the application of best practice in assessment testing <p>Provide familiarisation sessions for council officers on the provisions of the new Code prior to dissolution.</p> <p>Assist the smooth transition in accordance with the dissolution order for new arrangements post dissolution</p>	<p>Provide advice on best practice recruitment and selection training on an ongoing basis.</p> <p>Provide assistance with recruitment exercises for senior posts in councils and the NIHE, as required.</p> <p>Attend meetings of the recruitment working group when appropriate and provide assistance, as required.</p> <p>Advise councils and the NIHE on the use of assessment centres and situational judgement tests, as required.</p> <p>Assist councils to implement the 'New System for Recruiting and Developing Local Government Staff'</p> <p>Host two familiarisation sessions for councils on the revised Code of Procedures on Recruitment and Selection prior to dissolution.</p>

2. CODE OF CONDUCT FOR LOCAL GOVERNMENT EMPLOYEES

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Maintain the Code of Conduct for Local Government Employees as adopted by councils and the Commission on 01 April 2015</p>	<p>Provide advice and assistance in relation to any queries on the Code, as required.</p> <p>Assist with the smooth transition in accordance with the dissolution order for new arrangements post dissolution.</p> <p>Update the Code of Conduct for Local Government Employees to take account of other public sector best practice models.</p>	<p>Provide professional advice and assistance regarding HR matters including complaints, grievance and disciplinary matters.</p> <p>Provide and/or recommend independent expert consultancy support, as required.</p> <p>Establish an advisory group to review and update the Code of Conduct by March 2020. Hold 2 consultation events and 2 familiarisation sessions for councils on the revised Code.</p>

3. NEGOTIATING MACHINERY

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Support the implementation of a new regional industrial relations framework</p> <p>Provide an Independent Secretariat service to any interim negotiating machinery</p>	<p>Advise and assist with the new regional IR Framework, as required.</p> <p>Provide advice, assistance and independent secretariat facilities, as required.</p>	<p>Attend meetings relating to the regional IR Framework and provide advice and assistance, as required.</p> <p>Provide regular updates (following consultation with the Labour Relations Agency) to Commission meetings.</p>

The Commission is satisfied that the actions in the Management & Dissolution Plan either have been fully implemented or are on track for completion by the due date.

KEY PERFORMANCE AREA 2 OVERSIGHT OF STATUTORY FUNCTIONS TRANSFERRED TO COUNCILS ON DISSOLUTION

4. ADVISORY AND SUPPORT SERVICES

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Provide advice and assistance on HR and OD matters</p>	<p>Assist with queries relating to the transferred 'Call Off Framework for Consultancy Support/Independent expert consultancy'.</p> <p>Provide advice and assistance as required and provide regular reports to the Commission.</p>	<p>Provide and/or recommend independent expert consultancy support, as required.</p> <p>Attend regional and national meetings of PPMA and provide advice and assistance, on an ongoing basis.</p> <p>Produce a regular e-zine detailing Commission initiatives for HR and OD Officers.</p> <p>Engage with all relevant stakeholders to understand their needs/expectations.</p>
<p>Support the agreed People & Organisation Development Strategic Framework</p>	<p>Assist with the provision of training and development opportunities for local government staff.</p> <p>Provide advice and assistance as required and provide regular reports to the Commission.</p>	<p>Attend meetings of the LGTG and provide advice and support on an ongoing basis. Provide update reports from the LGTG to the LGSC to allow the Commission to exercise its oversight role.</p> <p>Assist in the establishment of a coaching and mentoring network and provide advice and assistance on its implementation.</p> <p>Establish an advisory group to provide advice and guidance on benchmarking.</p> <p>Host a HR Conference in November/December 2019 and 2020.</p>

		<p>Host employment law update seminars, as required.</p> <p>Facilitate and chair regular meetings of the Information Officers' Group.</p>
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5. MONITORING OF FAIR EMPLOYMENT PRACTICES

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Advise and assist councils and the NIHE to implement their Section 75 duties and Disability Action Plans.</p> <p>Advise and assist councils to implement best practice in equality and diversity.</p>	<p>Provide advice and assistance in relation to any queries on equality and diversity.</p> <p>Assist with the smooth transition of the work of the Equality and Diversity Group in accordance with the Local Government Staff Commission (Dissolution) Order (NI) 2017 (currently in draft form) for new arrangements post dissolution.</p>	<p>Facilitate regular meetings of the Statutory Duty Network to address common issues and collaborate on sector wide initiatives.</p> <p>Provide advice and assistance to the Equality & Diversity Group and assist with the implementation of the agreed Strategy and Action Plan.</p> <p>Host a meeting(s) of the Diversity Champions' Network to encourage networking and disseminating best practice.</p> <p>Host an Equality and Diversity Seminar on an annual basis.</p> <p>Provide best practice events on issues such as absence management, mental health issues and well-being.</p>

The Commission is satisfied that the actions in the Management & Dissolution Plan either have been fully implemented or are on track for completion by the due date.

KEY PERFORMANCE AREA 3 CORPORATE GOVERNANCE

6. SOUND SYSTEM OF CONTROL

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Continue to implement a sound system of control to support the Commission's objectives in accordance with Government Accounting Northern Ireland</p>	<p>Comply with any equality reporting arrangements in accordance with the Commission's status as a public body.</p> <p>Arrange Audit Committee meetings, as required.</p> <p>Prepare responses to FOI and Data Protection enquiries.</p> <p>Facilitate Local Government Audit, as required.</p>	<p>Complete Annual Progress Report for ECNI.</p> <p>Complete all monitoring returns.</p> <p>Arrange and facilitate Audit Committee meetings (in line with Commission meetings). Meetings were held on 12 March 2019, 17 September 2019, 28 January 2020 and 23 June 2020.</p>

	<p>Prepare and Publish 2018/19 Annual Report and Accounts.</p> <p>Review and update the Commission's Risk Register as required.</p> <p>Provide a secretariat service to all meetings of the Commission.</p>	<p>Implement all governance arrangements relating to the Commission's dissolution as agreed by the DfC-LGSC Dissolution Project Board.</p> <p>Update policies and procedures as per DFP & DfC instruction.</p> <p>Continue to liaise with the Public Records Office NI to ensure that special circumstances are agreed to enable PRONI to take delivery of files less than 20 years old.</p> <p>Review systems to ensure compliance with GDPR legislation by December 2019.</p>
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7. FINANCE AND ADMINISTRATION

AREAS OF OPERATION	TIMELINE 2018 TO DISSOLUTION	ACTIONS
<p>Ensure the efficient and effective day to day management of the Commission's Financial Affairs in accordance with Government Accounting Practice and Accounts Directions issued by the Department for Communities/Local Government Auditor</p>	<p>Prepare Financial Schemes and ensure Budgetary Control.</p> <p>Ensure adequate working capital to fund Commission activities.</p> <p>Prepare the Commission Accounts.</p> <p>Process salaries and allowances.</p> <p>Process receipts and payments.</p> <p>Bank Account Management including the preparation of bank reconciliations and monitoring balances.</p> <p>General Administration – Attend to all queries in a timely manner and make arrangements for the audit of internal systems and final accounts.</p>	<p>Budget reports presented at Commission and Audit Committee meetings on a bi-annual basis.</p> <p>Prepare budgetary performance reports on a monthly basis for scrutiny.</p> <p>Ensure compliance with the timeline defined by DfC.</p> <p>Process salaries and allowances on a monthly basis.</p> <p>Ensure proper report management and prompt payment targets are met.</p> <p>Bank reconciliations to be prepared on a monthly basis and monitored.</p> <p>Review the financial and other implications of the Dissolution Order not being enacted and the Commission continuing to operate in alternative premises post March 2021.</p>

8. DISSOLUTION ARRANGEMENTS

AREAS OF OPERATION	TIMELINE APRIL 2018 TO DISSOLUTION	ACTIONS
<p>Progress necessary governance and resource actions to ensure the efficient and orderly dissolution of the Commission</p>	<p>Implement all governance arrangements relating to the Commission's dissolution as agreed by the DfC-LGSC Dissolution Project Board:</p> <ul style="list-style-type: none"> • Dispose of Commission House and all furniture and equipment. • Draft final accounts and handover of server, etc. to DfC 	<p>Develop appropriate procedures for disposal of assets.</p> <p>Ensure Commission records are managed in line with the Disposal Schedule.</p>

- Prepare and finalise Annual Report for 01 April 2019 to 31 March 2020

Prepare for handover to DfC Dissolution Group and Public Records Office.

Prepare one month in advance of dissolution for completion of contract for sale and handover of Commission House.

The Commission is satisfied that the actions in the Management & Dissolution Plan either have been fully implemented or are on track for completion by the due date.

REMUNERATION REPORT

Director of Corporate Services and Senior Officers' Remuneration

The Commission operates pay and conditions for Officers in accordance with the provisions adopted by the Northern Ireland Joint Council for Local Government Services. The NIJC is the negotiating body for all staff in councils in Northern Ireland (except Chief Executives). The pay and conditions of service for the Director of Corporate Services is determined in line with NJC pay scales rather than decisions of the negotiating body for Chief Executives in Local Government in Northern Ireland. There are no benefits in kind included in the emoluments figures.

Service Contracts

All appointments are made in line with the Commission's Code of Procedures on Recruitment and Selection which requires appointments to be made on merit and on the basis of fair and open competition. Given the impending dissolution of the Commission, upon the retirement of the Chief Executive, Adrian Kerr, in July 2019, a secondee, Helen Hall, was appointed to act as Director of Corporate Services and carry out some duties which would have been within the remit of the Chief Executive, as well as 'Winding Up officer' until the Commission is dissolved.

Pensions

The Staff Commission participates in the NILGOSC scheme for all of its employees. This is a fully funded defined benefit scheme and is a statutory scheme that provides benefits on a "final salary" basis for service to 31 March 2015 and on a "career average revalued earnings (CARE)" basis for service from 1 April 2015. Benefits accrue at a rate of 1/80th of pensionable salary for each year of service up to 31 March 2009; at a rate of 1/60th of pensionable pay from 1 April 2009 to 31 March 2015; and at a rate of 1/49th of total pay each year thereafter. In addition, a lump sum equivalent to 3/80ths of pensionable salary for each year of service up to 31 March 2009 is payable on retirement. Members pay contributions of between 5.5% to 10.5% of pensionable earnings. Pension payments increase in line with the Consumer Prices Index (CPI).

On death, pensions are payable to the surviving spouse, nominated co-habiting partner or civil partner. On death in service, the scheme pays a lump sum benefit of three times pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Chairperson is not a contributing member of the NILGOSC pension scheme.

Chairperson and Commission Members

The Chairperson and Commission Members' allowances, travel and subsistence are set by the Department for Communities as per the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012. The Chairperson's annual remuneration is £14,398 and Commission Members may claim expenses of £123 per day for attending Commission meetings and events.

Service Contracts for Chairperson and Commission Members

The appointments of the Chairperson and Commission Members are made by the Minister for Communities. All appointments are designated for a four-year term by the Department for Communities in accordance with the Commissioner for Public Appointments for the Northern Ireland Code of Practice. The current Commission was appointed in December 2014 until 31 March 2017 and reconstituted from 1 April 2017 until the final dissolution date, due to difficulties encountered in the NI Assembly. (Brian Hanna resigned as Chairperson with effect from 31 March 2020 and Bumper Graham was appointed as the new Chairperson with effect from 5 October 2020).

Senior Officers' Emoluments (subject to audit)

The Commission is required to disclose the relationship between the remuneration of the highest-paid officer and the median remuneration of the Commission's Workforce.

The banded full-time equivalent (FTE) remuneration of the highest-paid officer in the financial year 2019/20 was £60k - £65k and in the financial year 2018/19 was £110k - £115k. This was 2.7 times the median remuneration of the workforce in 2019/20, a decrease from 2018/19 (3.0).

In 2019/20 the former Chief Executive's banded full-time equivalent (FTE) remuneration was £115k - £120k until his retirement in July 2019. In 2018/19 no employee received remuneration in excess of the highest-paid officer.

Total remuneration includes annual salary (the Commission does not pay any benefits in kind or operate a staff bonus scheme). The calculation does not include severance payments, employer pension contributions or cash equivalent transfer value of pensions.

Staff Costs (subject to audit)

	Permanently employed staff	Seconded staff	2019/20 Total No's	2018/19 Total No's
(a) The average weekly number of employees (full time equivalent) was:	2.2	0.8	3.0	2.4
	Permanently employed staff	Seconded staff	2019/20 Total £000s	2018/19 Total £000's
(b) The costs incurred in respect of these employees were:				
Salaries and Wages	91	43	134	162
Social Security Costs	10	5	15	19
Pension Costs – NILGOSC	50	8	58	42
	151	56	207	223
Current/Past Service Costs	55	-	55	27
Superannuation - re: charge to provision	(52)	-	(52)	(43)
TOTAL	154	56	210	207

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense once the employee earns the benefits, irrespective of whether they have been paid. This includes the cost of any untaken leave at the year end. The cost of untaken leave is determined using the Commission's annual leave records.

There are three members of senior staff on pay scales as laid out in page 15, of which 1 is male and 2 are female. The overall breakdown of staff employed by the Commission for the year ended 31 March 2020 was 1 male and 5 female staff.

The average number of sick days for 2019/20 was 39.5 days per staff member (2018/19 - 2.9 days). Contributing to this was one period of long-term absence. A revised attendance management policy has been drafted.

Expenditure on seconded staff in 2019/20 was £55,780 (2018/19 - £1,714). Expenditure on agency staff in 2019/20 was £6,772, FTE - 0.26 (2018/19 - £25,042, FTE - 0.96). Expenditure on consultancy in 2019/20 was £30,666 (2018/19 - £27,148). This relates to accountancy and administration services.

Reporting of Review of Public Administration compensation scheme – exit packages (subject to audit)

Exit packages cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	- (-)	- (-)
£10,000 - £25,000	- (-)	- (-)	- (-)
£25,000 - £50,000	- (-)	- (-)	- (-)
£50,000 - £100,000	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
£250,000 - £300,000	- (-)	- (-)	- (-)
Total number of exit packages	- (-)	- (-)	- (-)
Total cost	£Nil (£Nil)	£Nil (£Nil)	£Nil (£Nil)

Redundancy costs have been paid in accordance with the provisions of the Review of Public Administration Staff Severance Scheme and The Local Government Reorganisation (Compensation for Loss of Employment) Regulations (Northern Ireland) 2015. Exit costs have been accounted for in full in the year that the departure was agreed. There were no new departures agreed in 2019/20, other than the resignation of the former Chairperson at the commencement of the 2020/21 year, as noted above. Exit costs of £223,593 were paid in 2019/20, the year of departure (2018/19 - £Nil). Where early retirements have been agreed, the additional costs have been met by the Commission and not by NILGOSC. Ill-health retirements are met by NILGOSC and are not included in the table.

Pension Entitlement of Chief Executive and Directors (subject to audit)

	Real Increase in Pension and related lump sum at age 65	Total Accrued Pension at age 65 and related lump sum	CETV at 31/03/2019 Restated	CETV at 31/03/2020	Real Increase in CETV after adjustment
	£'000	£'000	£'000	£'000	£'000
Adrian Kerr Chief Executive	0.0 – 2.5 Plus lump sum 0.0 – 0.0	0 – 5 Plus lump sum 0 – 0	119	10	7
Helen Hall Director of Corporate Services	0.0 – 2.5 Plus lump sum 0.00 – 0.0	0 – 5 Plus lump sum 0 - 0	-	6	5
Lorna Parsons Director	0.0 – 2.5 Plus lump sum 0.0 – 2.5	15 – 20 Plus lump sum 25 - 30	275	296	14

Cash Equivalent Transfer Values (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by members at a particular point in time. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The 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 include any other pension details which an individual has transferred from another pension scheme and any additional benefit which has resulted from the purchasing of additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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

Signed:



HELEN HALL
Director of Corporate Services and Accounting Officer
24 November 2020

LOOKING AHEAD

As previously stated, due to the difficulties encountered by the NI Assembly, it was not possible to have the necessary 'Local Government Staff Commission (Dissolution) Order (Northern Ireland) 2017' in place to wind up the Commission as planned.

Accordingly, the Department for Communities (DfC) reconstituted the Commission membership with effect from 01 April 2017 (up to the final dissolution date) and the Commission has developed a Management and Dissolution Plan to enable it to continue to determine its statutory duties and for staff to be made compulsory redundant on a phased basis as the non-statutory work of the Commission is gradually passed to councils.

The Management and Dissolution Actions relate to three main Key Performance Areas as follows:

KEY PERFORMANCE AREA 1 – ESSENTIAL STATUTORY FUNCTIONS

The delivery of the Commission's statutory functions during the management and dissolution period and the integration of designated functions within councils, including:

- Advisory Appointments Panels
- Code of Procedures on Recruitment & Selection
- Code of Conduct for Local Government Officers
- Negotiating Machinery

KEY PERFORMANCE AREA 2 – OVERSIGHT OF STATUTORY FUNCTIONS TRANSFERRED TO COUNCILS ON DISSOLUTION

To maintain oversight of the functions already transferred to councils in line with the planned 31 March 2017 dissolution date, including:

- Advisory and support services
- Monitoring of Fair Employment Practices

This oversight ensures the proper discharge of the Commission's functions.

KEY PERFORMANCE AREA 3 – CORPORATE GOVERNANCE

To ensure continuing good governance, accountability and operational management of the Commission as a statutory body, including:

- Sound System of Control (audit, risk etc.)
- Finance and Administration
- Orderly Dissolution Arrangements

STATEMENT OF POLICY

Over recent years the Commission has adopted a more focused approach to business planning and implementation and has amended its policy statement to reflect this. The work of the Commission has become more output focused and the Commission's commitment to continuous improvement and raising standards in local government and the wider public service is demonstrated by its statement of purpose – *"Achieving Excellence through People"*.

The Commission recognises that it is part of a wider public service community and has formed partnering arrangements with the following organisations:

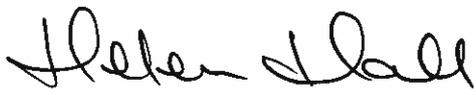
- Association for Public Service Excellence (APSE)
- Chartered Institute of Personnel and Development (CIPD)
- Equality Commission for Northern Ireland (ECNI)
- Labour Relations Agency (LRA)
- Northern Ireland Civil Service (NICS)
- Northern Ireland Joint Council for Local Government Services (NIJC)
- Northern Ireland Local Government Association (NILGA)
- Northern Ireland Statistics and Research Agency (NISRA)
- Local Government Management Association (LGMA – Southern Ireland)
- Public Appointments Service (PAS – Southern Ireland)
- Police Service of Northern Ireland (PSNI)
- Public Sector People Managers' Association (PPMA)
- Society of Local Authority Chief Executives (SOLACE)
- University of Brighton Business School

This partnership working has brought economies of scale to the development of new initiatives and provided for benchmarking arrangements.

In order to integrate an improvement culture in all aspects of the Commission's work overarching themes of Communication, Marketing Services and Measuring Success were developed and have underpinned the work of the Commission. These informed the operational areas of the Commission's work and ensured that key objectives were implemented in a consistent manner.

Improvement Plans were developed and reviewed regularly to increase service delivery.

The Commission has an Audit Committee which meet regularly and approved the Commission's accounting procedures, risk management strategy, policy and risk register and received significant input from both the Commission's internal and external auditors.



HELEN HALL
Director of Corporate Services and Accounting Officer

STATEMENT OF PURPOSE

To be the strategic organisation for the development of human resource management and the promotion of excellence through people in the delivery of local government services in Northern Ireland.

STRATEGIC AREAS AND MANDATES

These mandates are derived from Local Government legislation and are quoted in full where appropriate.

Equality of Opportunity

"establishing a code of procedure for securing fair and equal consideration of applications to councils and to the Northern Ireland Housing Executive by persons seeking to be employed by them as officers, and fair and equal treatment of persons who are so employed."

[Local Government Act (Northern Ireland) 1972 as amended]

Monitoring "the fair employment practices of councils and their compliance with statutory requirements in relation to fair employment."

[Local Government (Miscellaneous Provisions) (NI) Order 1992]

Training and Development

"promoting or assisting the development of, or providing, facilities for the training of officers."

[Local Government Act (Northern Ireland) 1972]

Employee Relations

"promoting or assisting the establishment of, or establishing procedures for the negotiation between councils and officers of councils, or the Northern Ireland Housing Executive, or associations representing either of them of standard rates of remuneration, or other terms and conditions of employment, for officers of councils, and recommending the adoption by councils of rates, terms and conditions so negotiated."

[Local Government Act (Northern Ireland) 1972 as amended]

Advisory and Support Services

"assessing the probable future requirements of councils and of the Northern Ireland Housing Executive for the recruitment of officers."

[Local Government Act (Northern Ireland) 1972 as amended]

Promoting Co-Operation

"promoting co-operation between councils, the Northern Ireland Housing Executive, public bodies, government departments and educational institutions in matters connected with the recruitment, training and terms and conditions of employment of officers, and promoting the temporary transfer of officers (with their consent) in pursuance of arrangements made between councils or between councils and any such bodies, departments or institutions."

[Local Government Act (Northern Ireland) 1972 as amended]

COMMISSION OFFICERS

The functions of the Staff Commission are managed by staff as follows:

HELEN HALL
Director of Corporate Services

Overall responsibility for the implementation of the Commission's Strategy and the Management of Resources

LORNA PARSONS
Director
Recruitment & Diversity

Responsibilities include developing Recruitment and Selection, Diversity and Chief Executive Recruitment and external liaison.

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

**FINANCIAL STATEMENTS OF THE
LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND**

YEAR ENDED 31 MARCH 2020

THE LOCAL GOVERNMENT STAFF COMMISSION FOR NORTHERN IRELAND

Statement of Commission's and Accounting Officer's Responsibilities

The Commission's Responsibility

Under Regulation 10 of the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015, the Commission is required to approve the accounts.

The Accounting Officer's Responsibilities

Under Section 40 and Schedule 3 of the Local Government Act (Northern Ireland) 1972, as amended by the Local Government (Northern Ireland) Order 2005 and the Finance Act 2011, the Department for Communities has directed the Local Government Staff Commission 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 income and expenditure, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for Communities, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for Communities has designated the former Chief Executive, to 31 July 2019, and the Director of Corporate Services, from 1 August 2019, as Accounting Officer of the Local Government Staff Commission. The responsibilities of the Accounting Officer, including responsibility for:

- the propriety and regularity of the public finances for which the Accounting Officer is answerable,
- keeping proper records, and
- safeguarding the Staff Commission's assets

are set out in the Accounting Officer's Memorandum published by the Department of Finance.

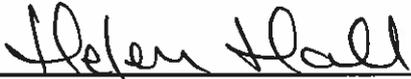
LOCAL GOVERNMENT STAFF COMMISSION

Certificate of the Accounting Officer and Commission Approval of the Statement of Accounts

Certificate of the Accounting Officer

I certify that:-

- (a) the Statement of Accounts for the year ended 31 March 2020 has been prepared in the form directed by the Department for Communities and under the accounting policies set out in Note 1.
- (b) in my opinion the Statement of Accounts give a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Signed: 

HELEN HALL
Director of Corporate Services and Accounting Officer
24 November 2020

Commission Approval of Statement of Accounts

These accounts were approved by the Commission on 24th November 2020.

Signed: 

BUMPER GRAHAM
Chairperson, Local Government Staff Commission

LOCAL GOVERNMENT STAFF COMMISSION

Governance Statement for the Financial Year Ended 31 March 2020

Scope of Responsibility

As Accounting Officer, I have responsibility for ensuring that the Commission's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, whilst safeguarding the public funds and the Commission's assets, for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The Commission has Internal and External Auditors as well as regular and robust reporting arrangements to both the Commission itself and the Audit Committee. There are sound and thorough accountability arrangements surrounding my role of Accounting Officer.

The Commission has agreed with its sponsoring Department, the Department for Communities, a Management and Dissolution Plan which sets out objectives and actions up to dissolution of the Commission. Results against targets and performance measures are considered monthly by officers and reported to the Commission on a six-monthly basis.

The Dossier of Controls, Managing Public Money NI and relevant Dear Accounting Officer Letters set out the controls to be exercised over the different areas of activity, either by the Department directly or by the Commission.

The Accounting Officer must ensure that the Commission adheres to the conditions attached to the public funds provided to it.

The Governance Statement Review

The Commission's Audit Committee met on 12 March 2019, 17 September 2019, 28 January 2020 and 23 June 2020. Through Audit reports from the Local Government Auditor and the Commission's Internal Auditor, the Committee were able to satisfy themselves that the Commission was working within the Commission's governance framework.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Commission is directed and controlled and its activities through which it accounts to, engages with and leads its stakeholders. It enables the Commission to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control in the Commission is a significant part of the governance framework and is designed to manage and reduce risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Commission for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts and accords with Department of Finance guidance.

The Governance Framework

The key elements of the systems and processes that comprise the Commission's governance arrangements include:

Identifying and Communicating the Commission's Vision of its Purpose and Intended Outcomes

The Management and Dissolution Plan has been developed to guide the Commission's work for the year 2019-2020. It is based on key stakeholder requirements and the Commission's statutory functions arising from the reduction in the level of staffing and the uncertainty surrounding the dissolution of the Commission.

The objectives, targets and performance measures set out in the Management and Dissolution Plan are approved by the Department for Communities (in the absence of a Minister). The Departmental Accounting Officer designates the Director of Corporate Services of the Local Government Staff Commission as the Staff Commission's Accounting Officer.

The Commission's Board including Structure and Performance

The Commission's Board includes a Chairperson, Vice-Chairperson and nine members who have been appointed by the Department for Communities. The Chairperson resigned from the position in March 2021. The members usually meet each month or at least four times each year as detailed in the Commission's Standing Orders 2010 by which the members are bound.

Members of the Commission have a corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for the use of public funds as detailed within the 'Code of Best Practice' June 2014 - *"Commission members must comply at all times with this Code of Conduct (or any agreed modification of it) and with rules relating to the use of public funds and must act in good faith and in the best interests of the Commission. They should not use information gained in the course of their public service for personal gain nor seek to use the opportunity of public service to promote their private interests."*

The Commission has operated an Audit Committee since February 2004. The terms of reference were revised in March 2011 to ensure they were consistent with best practice; however, given the annual expenditure and level of operation of the Commission it was agreed that the Audit Committee would have a minimum of two meetings per annum.

The Audit Committee provides an independent assurance on the adequacy of the risk management framework and associated control environment within the Commission. It provides an independent scrutiny of the Commission's financial and non-financial performance to the extent that it exposes it to risk and weakens the control environment. During the year, the Audit Committee reviewed the effectiveness of internal audit, audit plans and external audit annual audit letter and findings.

The Commission has fully complied with the Corporate Governance Code with no unexplained departures during the year.

Commission Member Attendance from 01 April 2019 – 31 March 2020

	Commission Meetings Attended – (8 held)	Audit Committee Meetings Attended – (2 held) @ end March 2020
Brian Hanna	8	2
Lindsay Boal	3	N/A
Monica Burns	4	N/A
Paul Corrigan	7	N/A
William Francey	7	2
Bumper Graham	5	N/A
Robert Hutchinson	7	2
Bernie Kelly	4	N/A
Charlie Mack	3	N/A
Roisin McDonough	6	N/A
Hilary Singleton	7	1

Measuring the Quality of Services for Users, for ensuring they are delivered in accordance with the Commission’s objectives and for ensuring that they represent the best use of resources

The Commission has three key performance areas: Carrying Out Essential Statutory Functions, Oversight of Statutory Functions Transferred to Councils on Dissolution and Corporate Governance.

Progress on meeting the actions detailed within the Key Performance Areas (KPAs) is addressed monthly by the Management Team and reported on an ongoing basis to Commission Members by the officers with responsibility for development and implementation of each KPA.

The Annual Report is produced and distributed to stakeholders and includes information on the performance of the Commission in relation to the Management & Dissolution Plan.

The Commission is provided with detailed papers for every meeting, which include all relevant background information necessary to fully inform Commission Members on each agenda item. Some examples of the types of information provided to the Committee on a routine basis include:

- Financial Accounts
- Updates from Working Groups
- Audit Committee Minutes
- Management & Dissolution Plan progress reports

All Commission Members are provided with key corporate documents and have a working knowledge of these. Since 2014, Commission members have had electronic access to meeting papers and confirmed their satisfaction with this approach.

Risk Assessment

The Commission has a risk management policy which sets out the organisation’s attitude to risk, defines the structure for the management and ownership of risk and for the management of situations should control failure lead to the realisation of risk. It also specifies the way in which risk issues are to be considered at each management level of business planning; details how new activities will be assessed for risk; and defines the way in which the risk register, and risk evaluation criteria will be regularly reviewed.

The Risk and Control Framework

The Commission's strategic and business planning system provides the framework for the consideration of risks and risk appetite. Annual reviews of objectives and assessment of risks are undertaken as part of that process. Risk is evaluated taking account of the likelihood of realisation of the risk and the impact of realisation of the risk. Risk priorities during 2019/20 included the dissolution of the Commission following the RPA decision, retention of reputation and staff, Coronavirus, continuing recognition of quality service and the improvement agenda.

Internal Controls

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2020 and up to the date of approval of the Annual Report and Accounts and accords with Treasury guidance.

Internal Audit

The Commission has an outsourced Internal Audit function with HSC Business Services Organisation (BSO). The Internal Audit Plan has been developed, in line with the Government Internal Audit Standards, to ensure that Internal Audit can efficiently and effectively provide the Commission with an objective evaluation of, and opinion on, the effectiveness of risk management, control and governance. Overall Internal Audit provided a satisfactory level of assurance for the system of internal controls within the Commission for 2019/20.

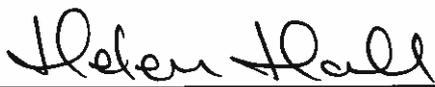
External Audit

The Northern Ireland Audit Office has provided a level of assurance through the provision of the annual external audit, the Annual Audit Letter and the Independent Auditor's Report.

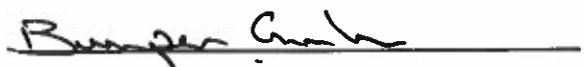
Significant Governance Issues

- Following consultation, the decision of the Minister on 23 October 2013 to wind up the Commission in March 2017 was subsequently endorsed by the Executive Committee in June 2014 representing a significant governance risk. Consequently, a project plan was put in place by the Department for Communities to ensure a timely and orderly wind up. Related risks have been identified and a sub group established to oversee the wind down in line with the risk register. In January 2017, the NI Assembly was dissolved and the LGSC Dissolution legislation was not passed therefore the Commission was extended beyond 31 March 2018 for an, as yet, undefined period of time. In addition, the Department for Communities reconstituted Commission membership with effect from 01 April 2017 to dissolution and a Management and Dissolution Plan has been put in place for ongoing operations.

Signed:



HELEN HALL
Director of Corporate Services & Accounting Officer



BUMPER GRAHAM
Chairperson, Local Government Staff
Commission

24 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LOCAL GOVERNMENT STAFF COMMISSION

Opinion on financial statements

I have audited the financial statements of the Local Government Staff Commission (the Commission) for the year ended 31 March 2020 under the Local Government (Northern Ireland) Order 2005. The financial statements comprise the Statement of Comprehensive Net Expenditure, Statement of Financial Position, Cash Flow Statement, Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Commission as at 31 March 2020 and its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 and the Department for Communities' directions issued thereunder.

Basis of opinion

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs). 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 Commission 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 opinion.

Other Information

The Accounting Officer is responsible for the other information included in the Statement of Accounts. The other information comprises the information included in the Statement of Accounts other than the financial statements, the parts of the Remuneration 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 part of the Remuneration Report to be audited has been properly prepared in accordance with the Department for Communities' directions made under the Local

- Government (Accounts and Audit) Regulations (Northern Ireland) 2015; and
- the information given in the Annual Report for the financial year ended 31 March 2020 is consistent with the financial statements.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Commission's and 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 of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

I am required 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 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.

This report is made solely to the Members of the Commission in accordance with the Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Statement of Responsibilities of the Local Government Auditor and Local Government Bodies.

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:
 - the Annual Governance Statement:
 - does not reflect compliance with the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015;
 - does not comply with proper practices specified by the Department for Communities;
 - is misleading or inconsistent with other information I am aware of from my audit; or
 - adequate accounting records have not been kept; or
 - the financial statements and the part of the remuneration Report to be audited are not in agreement with the accounting records; or
 - I have not received all of the information and explanations I require for my audit, or
- I issue a report in the public interest under Article 9 of the Local Government (Northern Ireland) Order 2005; or

- I designate under Article 12 of the Local Government (Northern Ireland) Order 2005 any recommendation made to the Commission; or
- I exercise the other special powers of the auditor under Article 19 to 21 of the Local Government (Northern Ireland) Order 2005.

Certificate

I certify that I have completed the audit of accounts of the Local Government Staff Commission in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice.

A handwritten signature in black ink, appearing to read 'P. McCreedy', is written over a light grey dotted grid background.

*Pamela McCreedy
Local Government Auditor
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU*

30 November 2020

LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF COMPREHENSIVE NET EXPENDITURE
for the year ended 31 March 2020

	Notes	2019/20 £000s	2018/19 £000s
Income from district councils and N.I. Housing Executive		352	419
Statutory income to defray provision	3	(281)	196
Other operating income	4	5	10
Net Return on Assets	13	(14)	(18)
Total operating income		62	607
Staff costs	5	210	207
Purchase of goods and services	6	187	191
Depreciation and impairment charges	7	1	3
Provision expense	12	(207)	336
Other operating expenditure		-	-
Total operating expenditure		191	737
Net operating expenditure		129	130
Finance income		-	-
Finance expenses		-	-
Net expenditure for the year ended 31 March 2020		129	130
Other comprehensive net expenditure			
Items which will not be reclassified to the operating costs:			
- Net (gain)/loss on revaluation of property, plant and equipment	7	-	-
- Net (gain)/loss on revaluation of intangible assets		-	-
- Actuarial (gain)/loss on pension scheme liabilities	13(h)	(91)	(142)
Items which may be reclassified to net operating costs:			
- Net (gain)/loss on revaluation of investments		-	-
Comprehensive net expenditure for the year		38	(12)

The amounts set out above arise wholly from continuing operations.

The notes on pages 39 to 56 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF FINANCIAL POSITION
as at 31 March 2020**

	Notes	31 Mar 20 £000s	31 Mar 19 £000s
Non-current assets:			
Property, plant & equipment	7	7	2
Intangible assets		-	-
Trade & other receivables	9	-	1,820
Financial assets		-	-
Total non-current assets		7	1,822
Current assets			
Assets classified as held for sale	8	550	550
Inventories		-	-
Trade & other receivables	9	1,545	232
Other current assets		-	-
Financial assets		-	-
Cash & cash equivalents	10	321	365
Total current assets		2,416	1,147
Total Assets		2,423	2,969
Current liabilities			
Trade and other payables	11	(228)	(176)
Provisions	12	(1,037)	(224)
Other liabilities		-	-
Total current liabilities		(1,265)	(400)
Total assets less current liabilities		1,158	2,569
Non-current liabilities			
Provisions	12	-	(1,244)
Other payables	11	-	(55)
Financial liabilities	13	(502)	(576)
Total non-current liabilities		(502)	(1,875)
Total assets less total liabilities		656	694
Taxpayers' equity and other reserves			
General Fund		477	515
Revaluation Reserve		179	179
Total equity		656	694

The financial statements were approved by the Commission on 24 November 2020 and signed on its behalf by:



HELEN HALL
Director of Corporate Services

and Accounting Officer
24 November 2020



BUMPER GRAHAM
Chairperson, Local Government Staff
Commission

The notes on pages 39 to 56 form part of these accounts.

LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF CASH FLOWS
for the year ended 31 March 2020

	Notes	2019/20 £000s	2018/19 £000s
Cash flows from operating activities			
Net operating cost		(129)	(130)
Adjustments for non-cash transactions	7	1	3
Interest Payables		-	-
(Increase)/Decrease in trade and other receivables	9	507	(197)
Increase/(Decrease) in trade and other payables	11	(4)	111
Increase/(Decrease) in provisions	12	(431)	336
Return on Net Assets in Pension Fund	13	14	18
Current/Past Service Cost	13	55	27
Net cash outflow from operating activities		13	168
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(5)	-
Employer's Superannuation	13	(52)	(43)
Interest		-	-
Proceeds of disposal of property, plant and equipment		-	-
Proceeds of disposal of intangibles		-	-
Net cash outflows from investing activities		(57)	(43)
Cash flows from financing activities			
Grants from sponsoring department		-	-
Net financing from the National Insurance Fund		-	-
Net financing from the Contingencies Fund & National Loans Fund		-	-
Capital elements of payments in respect of finance leases and on balance sheet (SoFP) PFI Contracts		-	-
Net financing		-	-
Net increase/(decrease) in cash and cash equivalents in the period		(44)	125
Cash and cash equivalents at the beginning of the period		365	240
Cash and cash equivalents at the end of the period	10	321	365

The notes on pages 39 to 56 form part of these accounts.

**LOCAL GOVERNMENT STAFF COMMISSION
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
for the year ended 31 March 2020**

	General Fund	Revaluation Reserve	Total Reserves
	£000s	£000s	£000s
Balance at 31 March 2018	503	179	682
Retained surplus/(deficit)	(130)	-	(130)
Revaluation of non-current assets (see Note 7)	-	-	-
Actuarial gain/(loss) on pension (see Note 13h)	142	-	142
Transfer between reserves	-	-	-
Balance at 31 March 2019	515	179	694
Retained surplus/(deficit)	(129)	-	(129)
Revaluation of non-current assets (see Note 7)	-	-	-
Actuarial gain/(loss) on pension (see Note 13h)	91	-	91
Transfer between reserves	-	-	-
Balance at 31 March 2020	477	179	656

The notes on pages 39 to 56 form part of these accounts.

LOCAL GOVERNMENT STAFF COMMISSION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

Note 1: Statement of Accounting Policies

ACCOUNTING CONVENTION

The accounts have been prepared in accordance with the historical cost convention, modified by the revaluation of certain fixed assets, and with paragraph 11 of Schedule 3 of the Local Government Act (Northern Ireland) 1972, as amended by the Local Government (Northern Ireland) Order 2005 and the Finance Act 2011.

Without limiting the information given, the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986 and the requirements of the edition of the Government Financial Reporting Manual (FrM) which is in force for the financial year for which the accounts are being prepared, insofar as those requirements are appropriate. The accounting policies contained in the FrM apply International Financial Reporting Standards as adapted or interpreted for the public sector context.

DISSOLUTION OF THE COMMISSION

Following the decision of the Minister to wind the Commission up in March 2017 a project plan has been put in place by the Department for Communities to ensure a timely and mannerly wind up. Risks have been identified and a sub group established to oversee the wind up in line with the risk register. The Department for Communities have agreed to acquire the assets of the Commission and assume responsibility for all liabilities on dissolution. Draft legislation is currently being prepared in this respect. Due to the political difficulties encountered at central government level it was not possible to have the necessary Dissolution Order in place to wind up the Commission on 31 March 2017 as planned. As a result, the Department for Communities (DfC) decided to reconstitute the Commission membership with effect from 1 April 2017 (up to the final dissolution date). On this basis, the Commission has developed a Management and Dissolution Plan to enable it to continue to implement statutory duties until it is dissolved.

INCOME

Contributions from district councils and the Northern Ireland Housing Executive are credited to income in the year to which they relate.

Income from activities represents the amount receivable for goods and services supplied to external customers during the year.

PAYMENTS TO SUPPLIERS

It is the policy of the Commission, following receipt of goods, to pay suppliers within 30 days following receipt of invoice.

PROPERTY, PLANT AND EQUIPMENT

The Commission's property, plant and equipment comprise buildings, computer equipment and fixtures and fittings. Buildings are revalued every five years by a professional valuer and in intervening years using appropriate indices compiled by the Land and Property Services (LPS).

The threshold for capitalisation of an individual or grouped item of property, plant and equipment is £500. This will enable the Commission to capitalise replacement computer equipment which can be purchased at a lower cost.

Note 1: Statement of Accounting Policies (continued)

Depreciation is provided on a straight line basis in order to write off the valuation, less any residual value, over the estimated useful lives. Assets held for sale are not depreciated. The estimated useful lives, which are reviewed regularly, are:

Buildings	50 years
Computer Equipment	3-5 years
Fixtures and Fittings	5-10 years

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset in the revaluation reserve is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

INVENTORY

Inventories consist only of consumable items and are, therefore, expensed in the year of purchase.

OPERATING LEASES

The total cost of the operating lease is expensed in equal instalments over the life of the lease. The Commission currently has an operating lease for a photocopier.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand and bank deposits.

PENSION

The Commission participates in the Northern Ireland Local Government Superannuation Committee Scheme (NILGOSC) for most of its employees. This is a fully funded defined benefit scheme and is a statutory scheme that provides benefits on a "final salary" basis for service to 31 March 2015 and on a "career average revalued earnings (CARE)" basis for service from 1 April 2015.

Prior to 1 April 2009 benefits accrued at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80^{ths} of pensionable salary for each year of service is payable on retirement. From 1 April 2009 to 31 March 2015 benefits accrued at the rate of 1/60th of pensionable salary for each year of service. From 1 April 2015 benefits accrue at the rate of 1/49th of total salary for each year of service. The scheme's professionally qualified actuaries recommend the rate of contributions to be paid in a range from 5.5% to 10.5% for staff (depending on salary) and 24.8% plus an annual charge of £26,000 by the Commission. The employer contribution for 2020/21 has been set at 37.6% and no annual charge.

Note 1: Statement of Accounting Policies (continued)

The total amounts paid into the scheme this financial year were: employees £7,342 and employer £52,000. In addition, £7,600 was paid by way of AVCs to the Prudential.

The Commission, in accordance with IAS 19, accounted for employer pension contributions as a defined benefit scheme. Under IAS 19 the Commission is required to account for their share of assets and liabilities in the scheme. Added years' discretionary benefits awarded to former employees who retire early are also accounted for as a defined benefit scheme, as in accordance with IAS 19.

An actuarial valuation was carried out on 31 March 2020 in accordance with IAS 19 and Financial Reporting Manual (FrM) and the results of the valuation are detailed in Note 13.

The Charge (Credit) to the Statement of Comprehensive Net Expenditure consists of the Current Service Cost and Past Service Cost, if applicable (a) (included within staff costs) and interest credit on net return (b) (shown on the Statement of Comprehensive Net Expenditure). Actuarial gains and losses (e) are taken to reserves and shown under Other Comprehensive Net Expenditure.

The liabilities under the Scheme have been valued using the standard actuarial technique known as the Projected Unit Method.

The principal financial assumptions for valuing the liabilities were:

	31 March 2020 % per annum	31 March 2019 % per annum
Discount Rate	2.3	2.4
Pension Increases	2.0	2.2
Pension Accounts Revaluation Rate	2.0	2.2
Salary Increases	3.5	3.7

The total net pension liability as at 31 March 2020 is £502,000, representing the sum of the net liabilities as at that date.

(a) i) Current Service Cost: is the increase in the present value of the scheme liabilities expected to arise from employee service in the current period.

(a) ii) Past Service Cost: (where applicable) is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction in the number of employees covered by the plan).

(b) Interest Credit on Net Return: the difference between expected return on employer assets and interest on pension scheme liabilities.

(c) Expected Rate of Return on Assets: the average rate of return expected over the remaining life of the related obligation on the actual assets held by the Scheme.

(d) Interest on Pension Scheme Liabilities: the expected increase during the period in the present value of the scheme liabilities because the benefits are one year closer to settlement.

(e) Actuarial Gains and Losses: changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or changes in actuarial assumptions.

Note 1: Statement of Accounting Policies (continued)

PROVISIONS

Provisions are made where an event has taken place that gives the Commission a legal or constructive obligation that probably requires settlement by a transfer of economic benefits and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Net Expenditure in the year that the Commission becomes aware of the obligation and measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the Statement of Comprehensive Net Expenditure.

EMPLOYEE BENEFITS

Short-term benefits

Short-term employee benefits are those due to be settled within twelve months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense in the year in which employees render service to the Commission. An accrual is made for the cost of holiday entitlements earned by employees but not taken before year-end and which employees can carry forward into the next financial year.

Termination benefits

Termination benefits are amounts payable because of a decision by the Commission to terminate an officer's employment before the normal retirement date and are charged on an accruals basis to the Statement of Comprehensive Net Expenditure at the earlier of: a) when the offer cannot be withdrawn or b) when the related restructuring costs are incurred.

CONTINGENT LIABILITIES

A contingent liability arises where an event has taken place that gives the Commission a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Commission. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Statement of Financial Position but disclosed in a note to the accounts.

TAXATION

The Commission is not registered for VAT purposes. Consequently, all amounts in these accounts are inclusive of VAT.

Note 2: Segmental Reporting

As part of the internal reporting arrangement the Commission receives reports on financial operations on a single segment basis, i.e., Commission's financial performance is reviewed as a whole in line with the annual business plan. The annual financial scheme and any subsequent schemes are presented at Commission meetings for approval.

Note 3: Statutory Income to defray provision

	2019/20 £000s	2018/19 £000s
Statutory income to defray provision	(281)	196
TOTAL	(281)	196

The amount due from the Department for Communities to defray the dissolution costs, which include exit costs from the NILGOSC pension scheme and redundancy costs, has decreased by £281k in the financial year 2019/20 (see Note 1 - Dissolution of the Commission).

Note 4: Other Operating Income

	2019/20 £000s	2018/19 £000s
Income from the Local Government Training Group	3	10
Income from the Local Government Staff Commission Conference	2	-
TOTAL	5	10

Note 5: Staff Costs

	Permanently employed staff	Seconded staff	2019/20 Total No's	2018/19 Total No's
(a) The average weekly number of employees (full time equivalent) was:	2.2	0.8	3.0	2.4
	Permanently employed staff	Seconded staff	2019/20 Total £000s	2018/19 Total £000's
(b) The costs incurred in respect of these employees were:				
Salaries and Wages	91	43	134	162
Social Security Costs	10	5	15	19
Pension Costs – NILGOSC	50	8	58	42
	151	56	207	223
Current/Past Service Costs	55	-	55	27
Superannuation - re: charge to provision	(52)	-	(52)	(43)
TOTAL	154	56	210	207

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense once the employee earns the benefits, irrespective of whether they have been paid. This includes the cost of any untaken leave at the year end. The cost of untaken leave is determined using the Commission's annual leave records.

No new exit packages were agreed in year but there were increases in redundancy costs; these are detailed on Note 12.

Note 6: Other Operating Costs

	2019/20 £000s	2018/19 £000s
These comprise:		
Commission Chairperson and Members' Allowances	21	26
Research, Marketing and Development	3	1
Conferences, Courses and Training	16	15
Rates	22	22
Loss on disposal of property, plant and equipment	-	1
Other General Administration Expenses	111	113
External Auditor's Remuneration	7	7
Travel and Subsistence – Staff	6	4
Travel and Subsistence – Commission Members	1	2
TOTAL	187	191

Note 7: Property, Plant and Equipment

Current Year:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
COST OR VALUATION				
At 1 April 2019	-	25	47	72
Additions (including accruals)	-	6	-	6
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2020	-	31	47	78
DEPRECIATION				
At 1 April 2019	-	24	46	70
Charge for the year	-	1	-	1
Disposals	-	-	-	-
Adjustment arising on revaluation	-	-	-	-
At 31 March 2020	-	25	46	71
CARRYING VALUE				
At 31 March 2019	-	1	1	2
At 31 March 2020	-	6	1	7

Asset Financing:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
Owned	-	6	1	7
Finance Leased	-	-	-	-
On-balance sheet (SoFP) PFI (and other service concession arrangements) contracts	-	-	-	-
Carrying Value at 31 March 2020	-	6	1	7

Comparative Year:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
COST OR VALUATION				
At 1 April 2018	-	91	47	138
Additions (including accruals)	-	-	-	-
Disposals	-	(66)	-	(66)
Adjustment arising on revaluation	-	-	-	-
At 31 March 2019	-	25	47	72
DEPRECIATION				
At 1 April 2018	-	88	45	133
Charge for year	-	2	1	3
Disposals	-	(66)	-	(66)
Adjustment arising on revaluation	-	-	-	-
At 31 March 2019	-	24	46	70
CARRYING VALUE				
At 31 March 2018	-	3	2	5
At 31 March 2019	-	1	1	2

Asset Financing:	Land and Buildings £000s	Computer Equipment £000s	Fixtures and Fittings £000s	Total £000s
Owned	-	1	1	2
Finance Leased	-	-	-	-
On-balance sheet (SoFP) PFI (and other service concession arrangements) contracts	-	-	-	-
Carrying Value at 31 March 2019	-	1	1	2

The carrying value of land and buildings comprised one long leasehold property only. On 31 March 2017, the property was classified as an asset held for sale as its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Note 8: Assets Classified as Held for Sale

	2019/20 £000s	2018/19 £000s
Land and Buildings	550	550
TOTAL	550	550

This is the Commission's premises building. In April 2018 a contract was signed with Belfast City Council to complete the purchase on 31 March 2021, or earlier by agreement, for a value of £550,000. A deposit of £55,000 has been paid by Belfast City Council (see Note 11).

Note 9: Trade Receivables and Other Current Assets

Amounts falling due within one year:	2019/20 £000s	2018/19 £000s
Trade receivables	-	-
Deposits and advances	-	-
Other Receivables*	1,539	224
Prepayments and accrued income	6	8
Current part of PFI (and other service concession arrangements) prepayment	-	-
Current part of NLF loan	-	-
TOTAL	1,545	232

Amounts falling due after more than one year:	2019/20 £000s	2018/19 £000s
Other Receivables*	-	1,820
TOTAL	-	1,820

*Under the Local Government Act (Northern Ireland) 1972, Section 40 Schedule 3 and the Housing Orders (NI) 1976 and 1981, the District Councils, Northern Ireland Housing Executive and Department for Communities have responsibility for meeting the expenditure of the Commission together with any contingencies.

As a result of the proposed dissolution of the Commission, as at 31 March 2020 there was an estimated liability of £1,539,000 due to exit costs from the NILGOSC pension scheme, which were provided by Aon Hewitt, NILGOSC Scheme's actuary, and redundancy costs. £1,037,000 was included in the provision and £502,000 was included in the pension liability (see Notes 12 and 13). These costs will be met by the Department for Communities.

Note 9.1: Intra-Governments Balances

	Amounts falling due within one year £000s		Amounts falling due after more than one year £000s	
	2019/20	2018/19	2019/20	2018/19
Balances with central government	1,539	224	-	1,820
Balances with local authorities	2	-	-	-
Balances with NHS bodies	-	-	-	-
Sub-total: intra government balances	1,541	224	-	1,820
Balances with bodies external to Government	4	8	-	-
Trade Receivables at 31 March	1,545	232	-	1,820

Note 10: Cash and Cash Equivalents

	2019/20 £000s	2018/19 £000s
Balance at 1 April	365	240
Net change in cash and cash equivalent balances	(44)	125
Balance at 31 March	321	365
The following balances at 31 March were held at:		
Commercial banks and cash in hand	321	365

Note 11: Trade Payables and Other Current Liabilities

Amounts falling due within one year:	2019/20 £000s	2018/19 £000s
VAT	-	-
Other taxation and social security	-	-
Trade payables	-	-
Accruals	29	43
Accrued and deferred income	199	133
Current part of finance leases	-	-
Current part of imputed finance lease element of on balance sheet (SoFP) PFI contracts	-	-
Current instalments due on loans	-	-
TOTAL	228	176

Amounts falling due after more than one year:	2019/20 £000s	2018/19 £000s
Other payables, accruals and deferred income	-	55
TOTAL	-	55

In April 2018 a contract was signed with Belfast City Council to complete the purchase of the Commission's premises building on 31 March 2021, or earlier by agreement, for a value of £550,000 (see Note 8). A deposit of £55,000 has been paid by Belfast City Council.

Note 11.1 Intra-Government Balances

	Amounts falling due within one year £000s		Amounts falling due after more than one year £000s	
	2019/20	2018/19	2019/20	2018/19
Balances with central government	-	-	-	-
Balances with government bodies	81	85	-	-
Balances with local authorities	132	76	-	55
Balances with NHS bodies	-	-	-	-
Sub-total: intra-government balances	213	161	-	55
-Balances with bodies external to government	15	15	-	-
Trade payables at 31 March	228	176	-	55

Note 12: Provision for Liabilities and Charges

Current Year:	Departure Costs	Other	Total
	£000s	£000s	£000s
Balance at 1 April 2019	1,468	-	1,468
Provided in the year	-	-	-
Provisions utilised in the year	(224)	-	(224)
Provisions not required written back	(207)	-	(207)
Unwinding of discount	-	-	-
Balance at 31 March 2020	1,037	-	1,037

Analysis of expected timing of discounted flows

Current Year:	Departure Costs	Other	Total
	£000s	£000s	£000s
Not later than one year	1,037	-	1,037
Later than one year and not later than five years	-	-	-
Later than five years	-	-	-
Balance at 31 March 2020	1,037	-	1,037

Comparative Year:	Departure Costs	Other	Total
	£000s	£000s	£000s
Balance at 1 April 2018	1,132	-	1,132
Provided in the year	336	-	336
Provisions utilised in the year	-	-	-
Provisions not required written back	-	-	-
Unwinding of discount	-	-	-
Balance at 31 March 2019	1,468	-	1,468

Analysis of expected timing of discounted flows

Comparative Year:	Departure Costs	Other	Total
	£000s	£000s	£000s
Not later than one year	224	-	224
Later than one year and not later than five years	1,244	-	1,244
Later than five years	-	-	-
Balance at 31 March 2019	1,468	-	1,468

The Commission Dissolution was planned for 31 March 2017 (see Note 1 - Dissolution of the Commission). However, in January 2017, the NI Assembly was dissolved and the necessary Dissolution Order was not put in place. Therefore, the Commission has been extended beyond 31 March 2017 for an as yet undefined period of time.

The liability for dissolution costs, as at 31 March 2020, includes exit costs from the NILGOSC pension scheme, which were provided by Aon Hewitt, NILGOSC Scheme's actuary, and redundancy costs. These costs are currently estimated to be a maximum of £1,539,000. £1,037,000 is included in this provision and £502,000 is included in the pension liability (see Note 13).

Redundancy costs increased by £15,000 due to increased total salary costs for staff whose redundancy had already been agreed

See also Note 9.

Note 13: Pensions Relating to Officers

	2019/20 £000s	2018/19 £000s
Scheme Liability at Beginning of the Year	(576)	(716)
Current Service Cost	(43)	(27)
Past Service (Cost)/Gain	(12)	-
Employer Contributions	52	43
Net Return on Assets	(14)	(18)
Actuarial Gains/(Losses)	91	142
Scheme Surplus/(Deficit) at 31 March	(502)	(576)

Note 13(a): The fair value of the assets held by the pension scheme attributable to the Commission are analysed as follows:

	Expected Long Term Return at 31 March 2020 % p.a.	Assets at 31 March 2020 £000s	Expected Long Term Return at 31 March 2019 % p.a.	Assets at 31 March 2019 £000s
Equities	2.3	1,765	2.4	2,837
Bonds	2.3	1,603	2.4	1,120
Property	2.3	414	2.4	534
Cash	2.3	195	2.4	129
Other	2.3	166	2.4	148
Total		4,143		4,768

Note 13(b): Net Pension Liability

	31 March 2020 £000s	31 March 2019 £000s
Estimated Employer Assets (A)	4,143	4,768
Present Value of Scheme Liabilities	(4,645)	(5,344)
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	(4,645)	(5,344)
Net Pension Asset (A-B)	(502)	(576)

Note 13(c): Reconciliation of Defined Benefit Obligation

	Year to 31 March 2020 £000s	Year to 31 March 2019 £000s
Opening Defined Benefit Obligation	5,344	5,194
Current Service Cost	43	27
Interest Cost	126	134
Contributions by Members	8	5
Actuarial Losses/(Gains)	(658)	63
Past Service Costs/(Gains)	12	-
Losses/(Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Liabilities Assumed in a Business Combination	-	-
Exchange Differences	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(230)	(79)
Closing Defined Benefit Obligation	4,645	5,344

Note 13(d): Reconciliation of Fair Value of Employer Assets:

	Year to 31 March 2020 £000s	Year to 31 March 2019 £000s
Opening Fair Value of Employer Assets	4,768	4,478
Interest Income on Assets	112	116
Contributions by Members	8	5
Contributions by the Employer	52	43
Contributions in Respect of Unfunded Benefits	-	-
Remeasurement Gains/(Losses) on Assets	(567)	205
Assets Distributed on Settlements	-	-
Assets Acquired in a Business Combination	-	-
Exchange Differences	-	-
Unfunded Benefits Paid	-	-
Benefits Paid	(230)	(79)
Closing Fair Value of Employer Assets	4,143	4,768

Note 13(e): Net Return on Assets:

	Year to 31 March 2020 £000s	Year to 31 March 2020 £000s
Interest Income on Assets	112	116
Remeasurement Gains/(Losses) on Assets	(567)	205
Net Return	(455)	321

Note 13(f): Actuarial Analysis

	Year to 31 March 2020 %	Year to 31 March 2019 %
Pension Increase Rate (CPI)	2.0	2.2
Salary Increase Rate	3.5	3.7
Expected Return on Assets	(2.5)	7.2
Discount Rate	2.3	2.4

Note 13(g): Mortality Assumptions

Actuarial Assumptions for average future life expectancy at age 65	Males	Females
Current Pensioners	21.8 years	25.0 years
Future Pensioners (aged 45 at accounting date)	23.2 years	26.4 years

The mortality assumptions affect the length of time the benefits would be expected to be paid for. Mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Mortality loadings were applied to the SAPS tables based on membership class as determined at the 2019 valuation.

Sensitivity Analysis: IAS 19 valuation results depend critically on the principal assumptions used in the calculations. The discount rate used to value the liabilities is prescribed under IAS 19 and the results are particularly sensitive to the discount rate. A reduction in the net discount rate will increase liabilities as a higher value is placed on benefits in the future. Regarding mortality assumptions, if longevity improves at a faster rate than allowed for in the assumptions then, a higher value would be placed on the employer's liabilities. Further increase in pensionable pay of 0.1% per annum, inflation and hence pension, more than allowed for in the assumptions, will increase the value of the liabilities by 0.1%.

Note 13(h): Summary of Experience Gains/ (Losses)

Actuarial gains and losses represent the extent to which actual outcomes have differed from the assumptions which were used in calculating IAS 19 figures. These actuarial gains and losses are shown in the table below as Experience Gains and Losses. Actuarial gains and losses are recognised as Other Comprehensive Net Expenditure (OCNE) and taken to reserves.

	Year to 31 Mar 2020 £000s	Year to 31 Mar 2019 £000s	Year to 31 Mar 2018 £000s	Year to 31 Mar 2017 £000s	Year to 31 Mar 2016 £000s
Fair Value of Employer Assets	4,143	4,768	4,478	3,813	2,983
Present Value of Defined Benefit Obligation	(4,645)	(5,344)	(5,194)	(4,527)	(3,310)
Surplus/(Deficit)	(502)	(576)	(716)	(714)	(327)
Remeasurement Gains/(Losses) on Assets	(567)	205	101	696	(11)
Actuarial Gains/(Losses) on Obligation	658	(63)	(96)	(1,041)	162
Actuarial Gains/(Losses) recognised in OCNE	91	142	5	(345)	151

Note 14: Commitments under Leases - Photocopier

	2019/20 £000s	2018/19 £000s
Not later than one year	-	-
Later than one year and not later than five years	-	-
	-	-

The Commission does not have any finance leases.

Note 15: Related Party Transactions

The Local Government Staff Commission is an Executive Non-Departmental Public Body (NDPB) sponsored by the Department for Communities. The Department for Communities is regarded as a related party. During the year, the Commission has had various material transactions with the Department and other entities for which the Department for Communities is regarded as having a general oversight role, viz, district councils.

In addition, the Commission has had various material and other transactions with the Local Government Training Group, district councils and the Northern Ireland Housing Executive.

None of the Commission Members are members of the key management staff or other related parties which have undertaken any material transactions with the Commission during the year.

Note 16: Financial Instruments

The Commission has no material risk exposure to Financial Instruments.

(a) Credit Risk: arises from deposits with banks and financial institutions, as well as credit exposures to the Commission's customers.

Trade debtors, inclusive of VAT, can be analysed by age as follows:

	2019/20	2018/19
	£	£
Less than three months	-	-
Three to six months	-	-
Six months to one year	-	-
More than one year	-	-

There is no historical experience of default in relation to deposits with banks, other financial institutions and debtors. Therefore, there is no estimated exposure to risk of default.

(b) Liquidity Risk: All trade and other payables are due for payment within one year.

(c) Market Risk:

Interest Rate Risk – The Commission has no borrowings or investments and thus has no material exposure to loss arising from movements in interest rates.

Foreign Exchange Risk – The Commission has no financial assets or liabilities dominated in foreign currencies and thus has no material exposure to loss arising from movements in exchange rates.

Note 17: Target for Paying Invoices

The Commission's default for paying invoices, where no other terms are agreed, is 30 days. (It is assumed that 30 days will be 30 calendar days and 10 days will be 10 working days).

During the year, the Commission paid 474 invoices totalling £416,788.

The Commission paid 468 (98.7%) invoices within the 30 day target.
The Commission paid 388 (81.9%) invoices within the 10 day target.

Note 18: Assembly Accountability Disclosures

No losses, special payments or remote contingent liabilities were identified by the Commission in 2019/20.

Note 19: Events after the Reporting Period

There were no events occurring after 31 March 2020, which require adjustment to the Commission's financial statements or additional disclosures.

Date of Authorisation for Issue

The Chief Financial Officer authorised these financial statements for issue on 24th November 2020.