

Getting Started

First Phase Development of the Northern Ireland
Commissioner for Children and Young People

October 2003 to March 2004



**NDPB Commissioner for Children and Young People for Northern Ireland
Annual Report and Accounts
Getting Started
First Phase Development of the Northern Ireland Commissioner for
Children and Young People
For the six months ended 31st March 2004**

Laid before the Houses of Parliament by the OFMDFM in accordance with Paragraph 12(2) and (4) of the Schedule to the Northern Ireland Act 2000 and Paragraph 40 of the Schedule to the Northern Ireland Act 2000 (Prescribed Documents) Order 2004

11th July 2005

Laid before the Northern Ireland Assembly under Commissioner for Children and Young People (Northern Ireland) Order 2003 by the OFMDFM

11th July 2005

Ordered by The House of Commons to be printed
11th July 2005



NICCY's Mission

- **Listen to children and young people**
- **Safeguard and promote their rights**
- **Work with them to challenge and change the world in which they live**



Contents

1. Foreword
2. First Steps
3. Interacting
4. Taking Stock
5. Taking Part
6. The Start of the Beginning
7. Accountable to You!

Foreword

Taking up the post of Northern Ireland's Commissioner for Children and Young People in October of 2003 was always going to present a challenge. But at the same time it presented an opportunity to take part in a quiet revolution towards the way we help, support and involve children and young people.

From my appointment until the end of March 2004 I was fortunate to attend over 200 meetings, conferences and visits on issues affecting children and young people and involving children and young people. Of those 12 were in schools.

All demonstrated – more than anything – the powerful commitment of Northern Ireland's children and young people to not sit idly by and wait for people to take decisions for them, but to get involved in those decisions.

Children and young people told me they want to get involved in decisions that affect their lives – and all my heads of service are dedicated to making this happen as we move forward.

As you read this report I would ask that you consider that we have achieved this in a few short months.

When I took up post I had no staff, no office and, to be honest, no idea of how much goodwill and support there is in Northern Ireland for anyone working on behalf of children and young people. Through the dedication of the staff now in post, the support of the Office of First Minister and Deputy First Minister and the many, many organisations that have helped me tackle the challenge I know the coming years represent a tremendous opportunity to work for, and on behalf of all Northern Ireland's children and young people.

First Steps

Search for NICCY's home

One of the key tasks facing the Northern Ireland Commissioner for Children and Young People was finding the right offices, in the right place, with the right design.

As with most of the work involving the Commissioner, children and young people led the way. A panel of 12-18-year olds helped us create the criteria that led to our move to Millennium House in Belfast's Great Victoria Street. The panel told us they wanted a location close to public transport links, with access directly from the street, finished to create a welcoming environment and with specific spaces for children and young people including multimedia features and a 'chill-out' area. After the lengthy process we identified Millennium House as our best option and began work on January 5th 2004 to fit out the building.

We moved in on 26th March 2004.

People in Place

Once again children and young people played a large part in getting the right people in place to carry out the work needed to support the Commissioner in his work. Children and young people took part in the interview and role playing processes that led to the appointment of the Commissioner's senior management team.

Recruitment was undertaken throughout November and December of 2003, and by the end of March Barney McNeany (Chief Operating Officer); Linda Kerr (Head of Legal and Complaints); Marlene Kinghan (Head of Communications and Participation); and Teresa Devlin (Head of Research and Service Review) were in post.

Following the creation of the Senior Management Team we are now in a position to recruit the rest of the NICCY team, who will hopefully be behind their desks and out in the community early in 2005.

While that is underway thanks are owed to the support of the staff at the Office of First Minister and Deputy First Minister, especially Valerie Devlin, Pat Neeson and Louise Brady, who have helped get started.



Getting the rules right

Starting a new office meant that NICCY had to look at all that was required to make sure that the Commissioner worked to the highest standards. These rules, known as policies and procedures were created throughout the period covered by this report. NICCY was able to put in place procedures that included human resources and financial IT systems.

In line with our goal to work in partnership and to achieve the best value possible with our limited resources we worked with our colleagues in the Equality Commission for Northern Ireland to develop shared services together including systems to manage our money and our computers and technology. We also took steps to recruit an internal auditor, who will check that what we do is within the agreed normal ways of operation.

A lot of work!

NICCY also had to undertake some major work to make sure that we were getting started in the right way.

We developed a business plan for 2004/05 to set out all the work we were doing and what we plan to do, that at the time covered by this report had been agreed to by the Office of First Minister Deputy First Minister.

The plan – known as a business plan - means we will be able set clear objectives for the commissioner's office; which means we can set out what the office's priorities are in our objectives and how we have met these the next time we report.

You'll read about the other work that helped us take our 'first steps' throughout the rest of this report



Interacting – Feedback & complaints

From October 2003 to the end of March 2004 we received **127** requests for support from children and young people. They covered a wide range of issues.

Of these we resolved more than 40% before the end of March 2004
There were **75** still being acted upon by the commissioner's office at the end of March 2004.

Of the requests for support during the period covered by this report received by NICCY many have been resolved informally by direct contact from the Commissioner and his staff.

However, many of the complaints received were about more than one issue and often involved contacting a number of agencies. This means that the Commissioner has had to get in touch with many different people to make sure that he can work to help the child or young person who has made the complaint

We have also received 24 general enquiries and 25 enquiries from schools.

Some examples of the complaints we have helped children and young people resolve include:

- Working with a school to make sure bullying procedures are in place
- Supporting efforts to get appropriate medical treatment for a disabled child
- Working to involve children in a schools' decisions about snacks and tuck shops
- Helping get work started to adapt a house for a disabled child which had been stopped

Taking Stock

A large part of the work of the commissioner involves looking at existing services for children and young people in Northern Ireland.

This means the commissioner has started several projects. During the period October 2003 to March 2004 work has been started on:

- Looking at how Northern Ireland meets international agreements on children and young people's rights
- Reviewing vetting procedures for people in contact with children, following the tragic deaths in Soham in 2002
- Starting a proposal to create a symposium on youth suicide
- Responding to consultations on issues that affect children and young people.

A Comparison of Children's Rights and Welfare in Northern Ireland with the UN Convention on the Rights of the Child

On his first day in office the Commissioner announced this major research project. Queen's University Belfast won the tender and work is currently underway.

The work will cover many areas (see the next page for more information) and in October 2004 the results of the research will be published. Areas covered will include:

- The implementation of the Convention's general principles such as non-discrimination, best interests of the child and the child's right to be heard.
- This will involve analysing these principles as reflected in law and policy, and respected in practice.
- The views of children and young people on how far they think the convention is being met in Northern Ireland and their priorities
- Specific issues/fields of activity which are being ignored or underplayed.
- Identification of areas within Northern Ireland where children are especially undervalued or underserved on particular issues.
- The extent to which the rights of all, especially particularly vulnerable children and young people, are protected.
- How Northern Ireland compares on issues with the rest of UK and Europe.
- The issues which should become priorities for the Commissioner.



Taking Part

Communicating with children and young people

In October 2003, when Nigel Williams took up post, communicating with children and young people was a major goal and challenge. The legislation which created his post explicitly said communications was one of the key parts of the Commissioner's role.

The media, of course, were eager to find out more about the Commissioner, his plans and his views.

In six months Nigel completed two major media interviews each month, including interviews for UK national broadcasters. This was particularly evident in March when along with his fellow commissioners in Wales and Scotland he campaigned to strengthen the legislation for an English Commissioner.

In addition, the Office of the Commissioner dealt with 50 media enquiries, responding to all of them positively.

But the media is only one way of communicating...

Participation

Making sure children and young people participate in the decisions that affect their lives is, as you will have read throughout this report, a key part of what the Commissioner does.

In this initial period the Commissioner decided to work with the panel of young people who were involved in his appointment. This panel had been created by the Children and Young People Unit of the Office of First Minister and Deputy First Minister.

The panel of 12-18 year old young people played a significant role in making sure that our plans matched the needs of children and young people. From the design of our web site through to the plans for the building and the recruitment of senior staff; the panel was involved. However, we recognised that this panel was only the start of the process of participation. During the period covered by this report we examined ways to make sure that children and young people can participate fully.

You will read elsewhere some of the ways we have started this process.

Looking to the Future with the Commissioner

Northern Ireland Commissioner for Children and Young People! That's quite a mouthful to try to say! But it's not as big a mouthful as I thought I was undertaking when in October 2003 I took up office as the Commissioner. At that time the permanent staff of NICCY was one – and that was me!

Since then, through the help of temporary staff, freelance support and the gradually increasing number of permanent staff, when March 2004 rolled round we were underway with a range of work. You will have read in this report some more details of that work – but while we have been planning, organising we haven't stopped working.

We have tried to make sure that while we were laying the foundations for NICCY's future work children and young people who wanted our support and help received that.

In addition I used this period to introduce myself to children and young people at events and in schools and youth groups.

But while NICCY – and myself personally – have been organising the future work we have had an eye on making sure we have the right tools to hand. The legislation provides us with one set of tools, and the abilities of the NICCY team provide us with another set of tools. Our Youth Panel provides us with one of the most important resources.

I am confident that with what we have in place, and what we are continuing to develop you will find that the next three plus years will see NICCY grow and evolve into one of the most important bodies for children and young people in Northern Ireland.

By the time you are reading this report we will have evolved yet further. Our mission and values will have been refined; more of our full-time staff will be in post; we will have received the research findings from Queen's University, Belfast; we will have started what I believe is the beginning of our responsibilities – a beginning that will establish the role of NICCY long into the future.

The period from October 2003 to March 2004 is one I have enjoyed immensely – a period which means we can now look forward to a future when NICCY can fulfil its function as stated in the legislation – “to promote and safeguard the rights and best interests of children and young people”.

Nigel Williams
Northern Ireland Commissioner for Children and Young People



Accountable to You!

**The Commissioner for Children and Young People for
Northern Ireland**

Financial Statements

**For the 6 months ended
31st March 2004**

CONTENTS

	Page
1. Foreword to the Accounts	14
2. Statement of Commissioner's Responsibilities	17
3. Statement on System of Internal Control	18
4. Auditor's Report	20
5. Financial Statements	
(a) Income and Expenditure for 6 months to 31/03/04	22
(b) Statement of Total Recognised Gains and Losses	23
(c) Balance Sheet as at 31/03/04	24
(d) Cash Flow Statement	25
(e) Notes to Accounts	26

FOREWORD TO THE ACCOUNTS

The Commissioner for Children and Young People for Northern Ireland (NICCY) is an executive non-departmental public body sponsored by the Office of the First Minister and Deputy First Minister. NICCY was established on 3rd October 2003 under the Commissioner for Children and Young People (Northern Ireland) Order 2003.

These accounts are prepared in accordance with Schedule 2 11 (1) of the Commissioner for Children and Young People (Northern Ireland) Order 2003 and in a form directed by the Office of the First Minister and Deputy First Minister with the approval of the Department of Finance and Personnel.

Principal Activities

The Commissioner for Children and Young People for Northern Ireland's principal aim is to 'safeguard and promote the rights and best interests of children and young people'. While the detailed powers are set out in the legislation, they may be grouped under three main areas as follows:

- Promoting children's rights- the Commissioner will be guided by the UN Convention on the Rights of the Child, an international agreement setting out how children should be treated and the rights that they have.
- Complaints and legal action- the Commissioner can deal with individual complaints from children and young persons, or their parents/guardians about any services that impact on those under 18 years old (or under the age of 21 for those with a disability or leaving care).
- Research and enquiries- the Commissioner wants the Office to base all its work on helping children and young people on thorough research. The Commissioner has the power to undertake general enquiries into issues where he believes children and young people are being adversely affected. The Commissioner is also required to review the ways that those providing services for children and young people listen to complaints and take account of their views.

Important Events Occurring After the Year End

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

Results for the Year

The results for the Commissioner for Children and Young People for Northern Ireland for the period are set out in detail on page 22. The deficit for the period was £24,836.



Business Review

A full review of the activities of the Commissioner for Children and Young People for Northern Ireland is given in the 2003/2004 Annual Report.

Fixed Assets

Details of the movements of fixed assets are set out in Note 6 to the Accounts.

Research & Development

The Commissioner for Children and Young People for Northern Ireland does not engage in any research and development activities as defined by GAAP.

Charitable Donations

The Commissioner for Children and Young People for Northern Ireland made no charitable donations during the period.

Pensions Liabilities

Staff Pension Liabilities are borne by the Principal Civil Service Pension Scheme (NI) – see notes 1.5 and 3(d) to the Accounts.

Payments to Suppliers

The Commissioner for Children and Young People for Northern Ireland is committed to the prompt payment of bills for goods and services received in accordance with the Government's Better Payment Practice Code.

Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, or presentation of a valid invoice or similar demand, whichever is later.

During the period 94.83% of bills were paid within this standard.

Disabled Persons

The Commissioner for Children and Young People for Northern Ireland seeks to follow best practice guidance as set out in Disability Codes of Practice, on employment and the provision of services to disabled persons.

Equality of Opportunity

The Commissioner for Children and Young People for Northern Ireland is committed to the provision of equality of opportunity and fair participation to all persons regardless of sex, marital status, religious belief, political affiliation/opinion, age, family status, ethnic or racial background, sexual orientation, disability, nationality or trade union membership.



The Commissioner for Children and Young People for Northern Ireland will, in all its actions, conform to both the letter and the spirit of the relevant equality legislation. The Commissioner for Children and Young People for Northern Ireland will provide equality of opportunity to all persons irrespective of whether or not there are legislative provisions in place.

Employee Involvement

The Commissioner for Children and Young People for Northern Ireland encourages widespread consultation and exchange of information at all levels within the Office through staff and team briefings.

Commissioner's Interests

An up to date register of Commissioner's interests is maintained by the Accounting Officer and is available for inspection at the Commissioner for Children and Young People for Northern Ireland offices in Millennium House, 17-25 Great Victoria Street, Belfast BT2 7BN.

Offices of the Commissioner for Children and Young People for Northern Ireland:

Millennium House
17-25 Great Victoria Street
Belfast
BT2 7BN

Auditor:

Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Signed by:

Nigel Williams
Commissioner and Accounting Officer

STATEMENT OF COMMISSIONER'S RESPONSIBILITIES

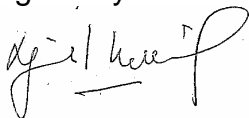
Under Schedule 2 11 (1) of the Commissioner for Children and Young People (Northern Ireland) Order 2003 , the Commissioner for Children and Young People for Northern Ireland is required to prepare a statement of accounts in the form and on the basis determined by the Department of Finance and Personnel. The accounts are prepared on an accruals basis and must give a true and fair view of the Commissioner for Children and Young People for Northern Ireland's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the year.

In preparing the accounts the Accounting Officer is required to:

- observe the Accounts Direction issued by the Office of the First Minister and Deputy First Minister, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on an ongoing concern basis, unless it is inappropriate to presume that the Commissioner for Children and Young People for Northern Ireland will continue to operate.

The Accounting Officer of the Office of the First Minister and Deputy First Minister has designated the Commissioner of the Office of the Commissioner for Children and Young People for Northern Ireland as the Accounting Officer. The Commissioner's duties as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Non-Departmental Public Bodies Accounting Officer's Memorandum issued by the Department of Finance and Personnel.

Signed by:



Nigel Williams
Commissioner and Accounting Officer



STATEMENT ON SYSTEM OF INTERNAL CONTROL

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievements of the Commissioner for Children and Young People for Northern Ireland's policies, aims and objectives, set by the legislation, the Office of the Commissioner and Ministerial direction, whilst safeguarding the public funds and the Commissioner for Children and Young People for Northern Ireland assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Government Accounting Northern Ireland'.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commissioner for Children and Young People for Northern Ireland's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The systems necessary to implement DFP guidance were not fully in place for the year ended March 2004 as the Commissioner for Children and Young People for Northern Ireland was created in the previous October, some six months prior to the end of the financial year and senior staff were not in post until February 2004.

The Commissioner for Children and Young People for Northern Ireland will carry out appropriate procedures to ensure that it has identified its objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership will be allocated to the appropriate staff and the Commissioner for Children and Young People for Northern Ireland will set out its attitude to risk in the achievement of its objectives prior to the completion of the next financial year (2004 / 2005).

The Commissioner for Children and Young People for Northern Ireland will ensure, as part of its approach to the management of risk, that procedures are in place for verifying that risk and internal control are regularly reviewed and reported on. There will be a full risk and control assessment before reporting on the year ending March 2005. Risk management has been incorporated more fully into the corporate planning and decision-making process of the Commissioner for Children and Young People for Northern Ireland and is part of the process upon which the Commissioner for Children and Young People for Northern Ireland is currently consulting the public as part of its Section 75 duties.



As part of that process I, as Commissioner, will receive periodic reports concerning internal control. The appropriate steps will be taken to manage risks in significant areas of responsibility and to monitor progress reports on key projects.

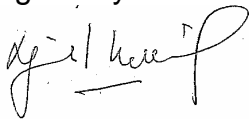
Actions to be taken as part of this process are to:

- regularly review and update the record of risks facing the organisation;
- set up a system of key performance and risk indicators; and
- develop and maintain an organisation-wide risk register.

The Commissioner for Children and Young People for Northern Ireland has an internal audit service, provided by the Internal Audit Department of PriceWaterhouseCoopers (PWC), which operates to standards defined in the Government Internal Audit Manual. They submit reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Commissioner for Children and Young People for Northern Ireland's system of internal control together with recommendations for improvement.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Chief Officer and the executive managers within the Commissioner for Children and Young People for Northern Ireland who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports.

Signed by:



Nigel Williams
Commissioner and Accounting Officer



The Commissioner for Children and Young People for Northern Ireland The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly

I certify that I have audited the financial statements on pages 22 to 38 under the Commissioner for Children and Young People (NI) Order 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 26 to 28.

Respective responsibilities of the Commissioner and Auditor

As described on page 17 the Commissioner is responsible for the preparation of the financial statements in accordance with the Commissioner for Children and Young People (NI) Order 2003 and the Office of the First Minister and Deputy First Minister directions made thereunder and for ensuring the regularity of financial transactions. The Commissioner is also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Commissioner for Children and Young People (NI) Order 2003 and the Office of the First Minister and Deputy First Minister directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Commissioner has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 18 and 19 reflects the Commissioner's compliance with the Department of Finance and Personnel's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Finance and Personnel, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Commissioner's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commissioner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commissioner's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Commissioner for Children and Young People for Northern Ireland at 31 March 2004 and of the deficit, total recognised gains and losses and cash flows for the period then ended and have been properly prepared in accordance with the Commissioner for Children and Young People (NI) Order 2003 and directions made thereunder by the Office of the First Minister and Deputy First Minister; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



J M Dowdall CB
Comptroller and Auditor General

Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU
25th May 2005



**INCOME AND EXPENDITURE ACCOUNT FOR 6 MONTHS
 TO 31ST MARCH 2004**

	Notes	6 months to 31/03/04 £
Income		
Grant from the Office of the First and Deputy First Minister	2	395,886
<hr/>		
Expenditure		
Staff Salaries and Commissioner's Fees	3	97,905
Operating Costs	4	230,331
Other Costs	5	85,144
Depreciation	6	63,147
Capital Expenditure Grant Release	13	<u>(63,147)</u>
		413,380
Notional Cost of Capital	10	<u>7,342</u>
Total Expenditure		<u>420,722</u>
Surplus (Deficit) for period		(24,836)
Credit in respect of Notional Costs	10	<u>24,553</u>
Transfer to Reserves		<u>(283)</u>

All amounts above relate to continuing activities.
 The notes on pages 26 to 38 form part of these accounts.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR 6 MONTHS ENDED 31ST MARCH 2004

	Notes	6 months to 31/03/04 £
Result for the period		(283)
Unrealised surplus/(deficit) on revaluation of fixed assets		Nil
Total recognised gains/(losses) for the period		(283)



BALANCE SHEET AS AT 31ST MARCH 2004

	Notes	6 months to 31/03/04 £
Fixed Assets		
Tangible Assets	6	895,967
Current Assets		
Debtors	7	4,155
Cash & Bank	8	90,419
		<u>94,574</u>
Current Liabilities		
Amounts falling within 1 year	9	<u>94,857</u>
Net Current Assets		<u>(283)</u>
Total Assets less Current Liabilities		895,684
Creditors – amounts falling due after 1 year	11	-
Provisions	12	<u>-</u>
		<u>895,684</u>
Financed by		
Government Grant Reserve	13	895,967
General Fund	14	<u>(283)</u>
		<u>895,684</u>

The notes on pages 26 to 38 form part of these accounts.

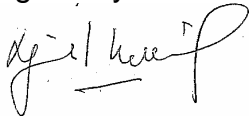
CASH FLOW STATEMENT FOR 6 MONTHS TO 31ST MARCH 2004

	Notes	6 months to 31/03/04 £
Net cash inflow from operating activities	15	90,419
Capital Expenditure:		
Purchases of Tangible Assets	6	(959,114)
Financing:		
Capital Grant Received	13	959,114
(Decrease)/Increase in Cash		90,419

The notes on pages 26 to 38 form part of these accounts.

The financial statements on pages 13 to 38 have been approved by the Commissioner for Children and Young People for Northern Ireland:

Signed by:



Nigel Williams
 Commissioner and Accounting Officer

NOTES TO THE ACCOUNTS FOR THE 6 MONTHS TO 31ST MARCH 2004

1. Accounting Policies

1.1 Accounting Convention

The financial statements have been prepared in accordance with the historical cost convention and paragraph 7(2)(A) of the Northern Ireland Act 1998.

Without limiting the information given the financial statements comply with the accounting and disclosure requirements of the Companies (Northern Ireland) Order 1986, the accounting standards issued or adopted by the Accounting Standards Board and accounting and disclosure requirements issued by the Department of Finance and Personnel, insofar as those requirements are appropriate.

1.2 Funding

The activities of the Commissioner for Children and Young People for Northern Ireland are fully funded by the Office of the First Minister and Deputy First Minister. Income from other sources is immaterial. Permission must be sought from the Office of the First Minister and Deputy First Minister before non-grant income can be applied to the Commissioner for Children and Young People for Northern Ireland's activities. Non-grant income for which departmental approval to use is not forthcoming is surrendered to the Consolidated Fund.

Grants of a revenue nature are credited to the Income and Expenditure account in the year to which it relates. Grants appropriated for capital purposes are credited to a Deferred Income account and released to the Income and Expenditure account over the expected life of the assets.

1.3 Expenditure

All expenditure on goods and services fall within the ambit of the Grant in Aid and complies with the Commissioner for Children and Young People for Northern Ireland's Financial Memorandum and government purchasing requirements.

1.4 Fixed Assets

- (a) The fixed asset additions are fully funded by the Office of the First Minister and Deputy First Minister.
- (b) Tangible fixed assets have been valued at historic cost.
- (c) A capitalisation threshold of £500 is applied.



(d) Depreciation is provided on tangible assets at rates calculated to write off the cost of each asset evenly over its expected life as follows:

Furniture and Fittings	10 years
Fixtures	10 years
Office Equipment	3 years
IT Equipment	3 years

1.5 Pension Costs

Staff have the opportunity to join the Principal Civil Service Pension Scheme (NI). The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the Income and Expenditure account so as to spread the cost over the service lives of employees in the Scheme, in such a way that the pension costs is a substantially level percentage of current and expected future pensionable payroll.

Superannuation contributions are funded as follows:

Salary Band-	£Nil	-	£17,199	12%
	£17,200	-	£35,099	13%
	£35,100	-	£75,999	16%
	£76,000 and over			18%

1.6 Value Added Tax

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

1.7 Investments

The Commissioner does not undertake any investment activities.

1.8 Stocks

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

1.9 Operating Leases

Operating Lease costs are charged to the Income and Expenditure Account during the period within which they are incurred.

1.10 Notional Cost of Capital

The Income and Expenditure account bears a non-cash charge for interest relating to the use of capital. The basis of the charge for interest is 3.5% per annum on the average capital employed defined as the average of total assets less current liabilities.

1.11 Government Grant Reserve

Grants received for capital expenditure are held as a Government Grant Reserve and are released over the life of the assets to which they relate.

2. Grant from the Office of the First Minister and Deputy First Minister

	Notes	6 months to 31/03/04 £
Grant from Office of the First Minister and Deputy First Minister		1,355,000
Less transfer of capital element to Government Grant Reserve		959,114

Revenue Grants credited to Income and Expenditure account		395,886

3. Salaries (including Commissioner)

	Notes	6 months to 31/03/04 £
Commissioner Fees		47,533
Staff Salaries		50,372
		97,905

3 (a) Commissioner Fees

	Notes	6 months to 31/03/04 £
Commissioner Fees		37,500
Social Security Costs		4,033
Pension Costs		6,000
		47,533

3(b) Staff Costs

Directorate	Salary	Social Security Costs	Pension Costs	Seconded staff/ Agency Costs	6 months to 31/03/04
	£	£	£	£	£
General	22,791	2,150	3,647	21,784	50,372
Total	22,791	2,150	3,647	21,784	50,372

The above figure includes notional salaries- see note 10.

The Commissioner's salary includes taxable benefits in kind but does not include a performance related bonus. The Commissioner is a member of the Principal Civil Service Pension Scheme (NI) on the same basis as all other members of staff. At 31st March 2004 the Commissioner has served 6 months of a 4 year service contract which may be renewed once. At the year end he would have been entitled to compensation for premature loss of office amounting to the equivalent of 3.5 years' gross salary.

3(c) Average Number of Full Time Equivalents

	6 months to 31/03/03
Commissioner	1
General Management	-
	2
	3



3(d) Salary and Pension Entitlement

Details are given below of salary and pension entitlement (excluding any pension benefits arising from Additional Voluntary Contributions or the pension benefits transferred from other schemes) of the Commissioner and Senior Management included in the above costs summaries.

	Salary including performance pay	Real increase in pension and related lump sum at age 60	Total accrued pension at 60 at 31/3/04 and related lump sum	CETV at 31/3/03	CETV at 31/3/04	Real increase in CETV after adj. for inflation & market investment factor
	£k	£k	£k	£k	£k	£k
<u>Commissioner</u>						
N Williams (Commissioner) Appointed 01/10/2003	35-40	10-12.5 no lump sum	10-15 no lump sum	n/a	123	n/a
<u>General Management</u>						
B McNeaney (Chief Operating Officer) Appointed 01/02/2004	5-10	0-2.5 plus 2.5-5.0 lump sum	5-10 plus 25-30 lump sum	94	118	18
L Kerr (Head of Legal Services and Complaints) Appointed 01/02/2004	5-10	0-2.5 no lump sum	0-5 no lump sum	n/a	2	n/a
M Kinghan (Head of Communications and Participation) Appointed 09/02/2004	5-10	0-2.5 no lump sum	0-5 no lump sum	n/a	1	n/a

Salary

(i) 'Salary' includes gross salary', performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.



(ii) Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based “final salary” defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality “money purchase” stakeholder based arrangement with a significant employer contribution (partnership pension account).

(a) Classic Scheme

Benefits accrue at the rate of $1/80^{\text{th}}$ of pensionable salary for each year of service. In addition, a lump sum equivalent to three years’ pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump sum benefit of twice 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.

(b) Premium Scheme

Benefits accrue at the rate of $1/60^{\text{th}}$ of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum up to a maximum of $3/80^{\text{ths}}$ of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of $3/8^{\text{ths}}$ the member’s pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings 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. Where the member’s ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

(c) Classic Plus Scheme

This is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

All staff in service at 1 October 2002 will be given the option to join the premium or classic plus arrangements.

Pensions payable under classic, premium and classic plus are increased in line with the Retail Prices index.

(d) Partnership Pension Account

This is a stakeholder-type arrangement where the employer pays a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product. The employee does not have to contribute but where they do make contributions, these will be matched by the employer up to a limit of 3% (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of risk benefit cover (death in service and ill health retirement). The member may retire at any time between the ages of 50 and 75 and use the accumulated fund to purchase a pension. The member may choose to take up 25% of the fund as a lump sum.

Benefits in kind

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

4. Operating Costs

	6 months to 31/03/04 £
General Costs	
Travel & Subsistence	10,609
Staff Recruitment	107,669
Staff Training	6,205
Postage	67
Telephones	6,932
Hospitality	1,643
Audit	7,500
Insurance	282
Miscellaneous	905
Office Consumables	4,153
Annual Contracts	1,045
Library	848
Legal Costs	3,231
Corporate Services	60,182
	<hr/> 211,271
Premises Costs	
Rents	11,424
Service Charge	6,775
Electricity	459
Cleaning	402
	<hr/> 19,060
	<hr/> <hr/> 230,331

The above costs include £1,516 paid in respect of operating leases.

5. Other Costs

	6 months to 31/03/04
	£
Communication & Participation	17,336
Education & Advice	-
Legal Fees	218
Investigations, Research & Consultancy	67,590
	<hr/> 85,144 <hr/>

6. Fixed Assets

	Information Technology	Office Equipment	Furniture	Fixtures	Total
	£	£	£	£	£
Valuation at 03/10/03	-	-	-	-	-
Additions	95,240	34,970	77,584	751,320	959,114
Disposals	-	-	-	-	-
Valuation at 31/03/04	<hr/> 95,240	<hr/> 34,970	<hr/> 77,584	<hr/> 751,320	<hr/> 959,114
Accumulated Depreciation at 03/10/03	-	-	-	-	-
Depreciation for the period	15,873	5,829	3,879	37,566	63,147
Depreciation on disposals	-	-	-	-	-
Accumulated Depreciation at 31/03/04	<hr/> 15,873	<hr/> 5,829	<hr/> 3,879	<hr/> 37,566	<hr/> 63,147
Net Book Value at 31/03/04	<hr/> 79,367	<hr/> 29,141	<hr/> 73,705	<hr/> 713,754	<hr/> 895,967
Net Book Value at 03/10/03	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -



7. Debtors: amounts due within 12 months

	31/03/04
	£
Prepayments	4,155
Debtors	-
	4,155

8. Cash at Bank and in Hand

	31/03/04
	£
Cash in Bank	90,395
Cash in Hand	24
	90,419

9. Creditors and Accruals: amounts falling due within 12 months

	31/03/04
	£
Sundry Creditors and Accruals	94,857
	94,857

10. Notional Costs

Some of the costs directly relating to the running of the Office of the Commissioner for Children and Young People for Northern Ireland were borne by other Government Departments or organisations. These costs have been included on the basis of the estimated cost incurred by the providing organisation.

Notional Costs included in Expenditure

	6 months to 31/03/04
	£
Salaries	12,428
Travel	4,783
Notional Cost of Capital	7,342
	24,553

11. Creditors: amounts falling due after 1 year

	31/03/04
	£
Other	-
	<hr/>
	-
	<hr/>

12. Provisions

	31/03/04
	£
Other	-
	<hr/>
	-
	<hr/>

13. Government Grant Reserve

Capital Allocations not yet released to Income and Expenditure Account

	31/03/04
	£
As at 03/10/03	-
Received in period	959,114
Released to Income and Expenditure	(63,147)
	<hr/>
	895,967
	<hr/>

14. Reconciliation of Movements in Reserve Funds

	31/03/04
	£
At 3 rd October 2003	-
Transfer from Income and Expenditure Account	(24,836)
Credit in respect of notional costs	24,553
	<hr/>
	(283)
	<hr/>

15. Notes to Cash Flow Statement

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

	6 months to 31/03/04
	£
Result for the period	(24,836)
Adjustment for non-cash transactions:	
Credit for notional charge	24,553
Depreciation	63,147
Capital grant release	(63,147)
Adjustments for movements in working capital:	
Decrease/(increase) in debtors	(4,155)
(Decrease)/increase in creditors	94,857
(Decrease)/increase in creditors – over 1 year	
Net cash flow	<u>90,419</u>

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

	31/03/04
	£
Opening Cash	-
Net Cash Inflow	90,419
Closing Cash	<u>90,419</u>



16. Financial Commitments

Commitments existed at the 31st March 2004 under operating leases in respect of annual rentals which expire:

Land and Buildings

	2004
	£
Within 1 year	-
Within 2-5 years	-
Over 5 years	145,582
Total	<u>145,582</u>

Equipment

	2004
	£
Within 1 year	-
Within 2 – 5 years	4,549
Over 5 years	-
Total	<u>4,549</u>

Commitments under finance leases £nil.

17. Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

18. Related Party Transactions

The Commissioner for Children and Young People for Northern Ireland is a Non-Departmental Public Body sponsored by the Office of the First and Deputy First Minister (OFMDFM). OFMDFM is regarded as a related party. During the year the Commissioner has various material transactions with OFMDFM and various other bodies for which OFMDFM is regarded as the parent body.