

**GOVERNMENT EQUALITIES OFFICE**

**Annual Report and Accounts**  
**2010-11**

INSIDE FRONT COVER

**GOVERNMENT EQUALITIES OFFICE**

# **Annual Report and Accounts 2010-11**

**(For the year ended 31 March 2011)**

Accounts presented to the House of Commons pursuant to Section 6(4) of the  
Government Resources and Accounts Act 2000

Annual Report presented to the House of Commons  
by Command of Her Majesty

Annual Report and Accounts presented to the House of Lords  
by Command of Her Majesty

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## 1. Introduction

This is GEO's fourth and final set of Resource Accounts as a separate Department. I am very pleased that the National Audit Office has once again agreed the accounts, and recognised the considerable improvements in control since GEO was set up in 2007. I should like to thank the NAO for all its help and support in this period.

As this report shows 2010/11 was a year of considerable change. In December 2010 Ministers announced their decision that GEO should join the Home Office to strengthen the place of equality policy within Government. This move took place on 1 April 2011. On 31<sup>st</sup> December the Women's National Commission, an advisory Non Departmental Public Body, closed after 41 years and its key functions of engaging with women were brought within GEO. Ministers have also set out a new vision and remit for the Equality and Human Rights Commission, which takes the majority of GEO's budget. A consultation document on constitutional and governance changes to EHRC was issued in March 2011, and GEO is well advanced with plans to take over EHRC's former responsibilities for the provision of information and advice and a replacement to the EHRC's grants programme.

On policy, we can look back on some important achievements. In December 2010, the Government set out a new strategy for equality, the first ever such cross-cutting government strategy, supported by a new Inter Ministerial Group. The last year has also seen the enactment of the 2010 Equality Act with some 90% of it brought into force in October 2010, and April 2011. The Act saves the economy some £41m per year as well as strengthening protections for many vulnerable people. The Report details a range of other achievements.

Finally I should like to thank all staff in GEO and Treasury Solicitors for their commitment and contribution over the last year, and also to Peter Bungard and other members of GEO's Audit and Risk Committee for all their wise support and advice. We can look back with pride and look forward with excitement.

Jonathan Rees

## 1. Who we are and what we do

### GEO Overview

In financial year 2010-11 the Government Equalities Office was a separate standalone department reporting first to the Lord Privy Seal and Minister for Women and Equalities (Rt Hon Harriet Harman ) and after the Election in May 2010 to the Rt Hon Theresa May, Home Secretary and Minister for Women and Equalities. On 1<sup>st</sup> April 2011 the GEO merged with the Home Office; its responsibilities are to lead on the government's equality strategy and legislation, including issues relating to women, sexual orientation and transgender equality matters.

### Our Ministers

From May 2010 the Government Equalities Office has reported to two Ministers:



**Rt Hon Theresa May MP**  
*Home Secretary and  
Minister for Women and Equalities*



**Lynne Featherstone MP**  
*Minister for Equalities and  
Criminal Information*

### Our Departmental Board

During 2010-11 the Board advised on the overall strategic direction of the department and provided guidance on the major operational and management issues. The Board has twelve members, four non-executive directors and the eight senior civil servants in GEO.

### Board members and responsibilities

#### Jonathan Rees

*Director General*

- Accounting Officer
- Responsibility for the management of GEO
- Chair of the Departmental Board



**Janice Shersby (until March 2011)**

*Director*

- Deputy Head of GEO
- Policy Director
- GEO Better Regulation champion



**Chris Bull**

*Director, Corporate Service*

- Finance, Human Resources, Working Environment
- Sponsorship of EHRC
- Corporate secretariat



**Alison Pritchard**

*Head of Strategy*

- Cross-cutting equality policy and strategy
- Better Regulation
- Voluntary Sector and Big Society



**Helene Reardon-Bond**

*Deputy Director, Gender Equality, Participation and International*

- Opening up opportunities in public and political life
- Delivery of UK and international/ EU gender equality commitments
- Communications



**Melanie Field**

*Deputy Director, Discrimination Law*

- Modernising, streamlining and strengthening the legislative framework
- Implementing 2010 Equality Act

**Helen Carrier**

*Chief GEO Economist and  
Deputy Director, Evidence and Equality at Work*

- Improving equality at work and economic participation for all
- Chief Economist



**Charles M Ramsden (from 1 August)**

*Deputy Director, EHRC Reform*

- Reform Programme for Equality & Human Rights Commission
- Review of EHRC's Information, Advice & Support Services
- Correspondence and Freedom of Information performance in GEO



**Non-Executive Directors**

**Janet Soo-Chung CBE**

Chief Executive, NHS North Lancashire



**Judy McKnight CBE**

Former General Secretary,  
Napo (Trade Union and Professional Association)



**Peter Bungard**

Chief Executive, Gloucestershire County Council  
Chair GEO Audit and Risk Committee



**Fiona Cannon (from 1 November)**

Director of Diversity and Inclusion for Lloyds Bank

**Board interests**

The GEO Board is required to declare any company directorship or other significant interests. No such interests have been declared in the year.

The GEO does not have an Investment Board, because its departmental programmes and projects are on a modest scale.

**Audit and Risk Committee**

The GEO Audit and Risk Committee is a standing committee of the main Board; it assesses the adequacy of the Department's risk management and audit arrangements. The committee's remit for 2010-11 included the two non-departmental public bodies sponsored by GEO - the Equality and Human Rights Commission and, up until end December 2010, the Women's National Commission.

The Committee is chaired by Peter Bungard, who is a non-Executive Director of the GEO Board and Judy McKnight and Janet Soo-Chung are also members. The Board is attended by the Director General, the Director of Corporate Services, and representatives of Internal Audit and the National Audit Office. Decisions made by the Audit and Risk Committee are reported back to the main Board for approval.

## 2. Progress towards GEO's priorities

This section provides an overview on the progress made during 2010-11 on the GEO priorities, agreed with Ministers.

### Equality

- GEO led work to develop the first ever cross-Government Strategy on Equality, leading to the publication of *Building a Fairer Britain* in December 2010. This set out Government's new approach to equality – built on the principles of equal treatment and equal opportunity – moving away from the bureaucratic processes of the past.
- The department helped establish and support a new Inter Ministerial Group on Equality, chaired by the Home Secretary, to work across government to deliver the Strategy. This includes 12 Departments and meets quarterly.
- GEO brought into effect in October 2010 the majority of the Equality Act 2010, including putting various connected statutory instruments through Parliament. The Act streamlines and strengthens equality legislation saving £41m per year.
- GEO brought into effect on 5 April 2011 the new Public Sector Equality Duty which replaces the 3 previous duties on race, disability, and gender, extends the Duty to a number of new “protected characteristics” including older people while reducing burdens on the public sector and promoting transparency.
- GEO also produced a range of summary guides on the Equality Act 2010 Act as a whole, and quick-start guides on specific subjects for employers, employees, citizens, consumers, and service providers.
- The Women's National Commission was abolished at the end December 2010, and its core function (to bring the voices of women to government) brought into the department, resulting in cost savings of c£0.5m per year. In March, GEO published a consultation setting out our proposals for a new approach to listening to and engaging with women in the UK. GEO also put interim processes in place to ensure that engagement with women and women's organisations could continue including an e-newsletter providing updates on government policy and actions relevant to women; a dedicated webpage on our website; a dedicated email address to facilitate communication. The consultation closed on 15 June 2011.
- GEO published a consultation setting out proposals for significant reform of the Equality and Human Rights Commission (EHRC). Under the Spending Review,

the EHRC's cost was cut from £60 million to £26.8 million over 4 years. As part of this programme of reform, GEO is committed to provide a range of improved and more cost effective advice services by bringing functions back into the department, and we will invite business and the voluntary sector to tender for delivery.

- We continued to engage internationally for instance influencing the development of the EU Gender Strategy 2010-14, contributing to negotiations on a new EU equal treatment directive and participating fully in United Nations debates on gender, including the setting up of UN Women, the new UN Agency for the empowerment of women and ensuring progress on gender equality at the Commission on the Status of Women.
- GEO has worked across government to establish a value for money research programme to improve evidence and test effectiveness. In particular:
  - GEO developed a programme of evaluation, through an Evaluation Framework for the Equality Act; ensuring that Government has the relevant evidence to conduct a Post Implementation Review of the Act.
  - GEO published research on caste discrimination to help inform the Government on its decision whether to exercise this power in the Equality Act.

### **Comprehensive Spending Review**

- Last year GEO worked closely with a number of departments and with the Treasury during the process to help them ensure that their plans took account of equality considerations and ultimately that fairness was at the heart of their spending plan reductions. For the first time ever, an analysis of the impact on equality was published at the time of the Spending Review announcement. We continue to work with departments to help them consider equality as a matter of course as they implement their plans.

### **Changing Culture**

- GEO produced for Government in June 2010 the first ever cross cutting programme to promote Lesbian, Gay, Bisexual and Transgender (LGB and T) equality. This was followed by a detailed action plan, *Working for Lesbian, Gay, Bisexual and Transgender Equality: Moving Forward*, which we published in March 2011. This included for instance new guidance on stopping gay asylum seekers being deported, and legislation to remove historic convictions for consensual sex.
- Ministers set out their commitment to enabling civil partnerships to be registered on the religious premises of those faith groups who wish to host them. The

consultation on this proposal (to implement section 202 of the Equality Act 2010) ran from 31 March to 23 June 2011.

- Lynne Featherstone was appointed as Ministerial Champion for tackling violence against women overseas. As part of this role, the department has supported her to undertake a programme of discussions with Ministerial counterparts, representatives from major NGOs and important international players.
- The first ever government advisory group on body confidence was established, working with organisations in the private and voluntary sector to identify non-legislative solutions to tackling low levels of body confidence and help reduce the burdens popular culture places on an individual's self esteem. By 'body confidence' we mean feeling happy and secure about the way you look.
- GEO launched, together with major sporting bodies, a Charter for Action calling for anyone and everyone with an interest or involvement in sport to unite in a common cause to tackle homophobia and transphobia in sport.
- We have started engaging with the transgender community so they can shape the first ever government transgender equality action plan, which we will publish by the end of this year. Our first survey to the transgender community received almost 1,300 responses. This is the biggest survey of the trans community ever conducted in the UK.
- We supported a UN Human Rights Council Statement on ending violence and related human rights violations based on sexual orientation and gender identity, and working with international partners secured the highest ever number of supporters for a statement on this subject.

### **Fair and Flexible Labour Market**

- With the Department for Business Innovation and Skills (BIS) and the Department for Work and Pensions (DWP), GEO developed the Modern Workplaces consultation, setting out plans to extend the right to request flexible working, introduce a new system of flexible parental leave and promote equal pay. GEO has lead responsibility for the equal pay elements of this consultation, which was subsequently launched in May 2011.
- As part of the implementation of the Equality Act 2010, we created improved, clearer forms for the questions and answers processes under s.138 of the Act, concerning equal pay and other prohibited conduct, including discrimination.
- We led work with business and others to develop voluntary arrangements for gender equality reporting in the private and voluntary sector. These arrangements will be available to all private and voluntary sector businesses, but

particularly those with 150 or more employees. These arrangements will be rolled out in later in 2011.

- With BIS, we supported the independent review by Lord Davies of Abersoch into the low representation of women on corporate boards in the UK. Lord Davies published his recommendations in February 2011 and GEO is now working with listed companies, trade bodies, regulators and others to ensure their effective implementation.

### **Civic Empowerment**

- GEO published a public consultation on access to elected office, which includes a number of proposals to provide extra support to tackle the particular obstacles faced by disabled people who want to become MPs, councillors or other elected officials. The consultation closed on 11 May 2011.
- The department undertook research into the experiences of and barriers to participation in public and political life for lesbian, gay, bisexual and transgender people which enabled GEO to develop targeted actions to improve the opportunities for, and tackle the barriers faced by LGB&T people who want to participate. The recommendations in the conclusion also formed the content for the Lesbian, Gay, Bisexual and Transgender Equality action plan.
- GEO evaluated the Black Asian and Minority Ethnic (BAME) Women Councillors' Taskforce, which found that significant outcomes had been achieved in a short time including the election of some women as councillors.

## **Better Regulation**

- The GEO has pushed forward the government's better regulation agenda. In particular the Government's Equality Strategy Building a Fairer Britain published in December 2010 makes clear that more legislation produces diminishing returns and set out a new role for Government as an advocate of change, working in partnership and promoting transparency.
- By bringing together nine major pieces of legislation and around 100 ancillary rules, the Equality Act 2010 simplified and streamlined the legislative framework, making it easier for businesses and the public by having all the legislation in one place. Most of the Equality Act came into force in October 2010.
- The government has decided not to implement parts of the Equality Act that could place a disproportionate burden on business or other organisations. In particular, the government has announced its intention to scrap the provisions on the socio-economic duty, that it is not taking forward the dual discrimination provisions and will not commence the provisions on gender pay gap reporting pending satisfactory agreement of a voluntary approach. It has also decided it will consult on the provisions about employer liability for harassment of employees by third parties.
- We are also looking at alternatives to regulation. As part of this, GEO is working with business and others to develop a voluntary scheme for gender pay reporting in the private and voluntary sector which will be available to all businesses but particularly those with 150 or more employees.
- Underpinning government's new approach is a commitment to transparency – itself a key tool in driving behaviour change. On 5 April this year, we introduced the new Public Sector Equality Duty. Through this duty we will remove top-down targets and bureaucratic processes of the current duties and instead we will require public bodies to publish data on the equality results in their services and workforce – replacing bureaucratic accountability with democratic accountability.

### **3. Managing our Resources**

This section sets out how we managed our resources in 2010-11 and covers the work done to secure future funding under the Spending Review 2011-12 to 2014-15. Arrangements were made in 2010-11 for GEO's merger with the Home Office from 1<sup>st</sup> April 2011. As a consequence of this merger GEO ceases to be a separate department and will no longer be required to prepare its own annual report and accounts.

#### **Financial Management**

GEO started the 2010-11 financial year with a budget of £78m resource and £2m capital of which £60m resource and £2m capital was allocated to the Equality and Human Rights Commission. Following the deficit reductions introduced by the new administration GEO had a budget of £69m resource and £2m capital of which the Commission's budget was £53m resource and £2m capital.

The GEO's own budget was split between an administration budget of £9.5m and a programme budget of £7m. For administration, outturn was very close to budget. There was a significant shortfall against the programme budget, however, as we were no longer required to meet costs associated with public bodies having to familiarise themselves and work with the Equality Act because of the different – less bureaucratic – approach introduced by the new Administration.

## Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£000s	£000s
	2010-11	2009-10
<b>Net Resource Outturn (Estimates)</b>	£61,901	£69,010
<i>Adjustments to remove:</i>		
Provision voted for earlier years		
<i>Adjustments to additionally include:</i>		
Non-voted expenditure in the OCS		
Consolidated Fund Extra Receipts in the OCS		
Other adjustments		£37
<b>Net Operating Cost (Accounts)</b>	<b>£61,901</b>	<b>£69,047</b>
<i>Adjustments to remove:</i>		
Capital grants to local authorities		
Capital grants financed from the Capital Modernisation Fund		
European Union income and related adjustments		
Voted expenditure outside the budget	-£50,774	-£55,049
<i>Adjustments to additionally include:</i>		
Other Consolidated Fund Extra Receipts		
Resource consumption of non departmental public bodies	£50,009	£57,495
Unallocated resource provision		
Other adjustments		
<b>Resource Budget Outturn (Budget)</b>	<b>£61,136</b>	<b>£71,493</b>
<i>of which</i>		
Departmental Expenditure Limits (DEL)	£61,136	£71,493
Annually Managed Expenditure (AME)		

### Administration Budget

To secure efficiencies the GEO buys most of the services we need from other departments. For example, in 2010-11 GEO bought HR systems, internal audit, IT and accounting systems from Communities and Local Government, who also provided our accommodation. We bought Private Office and Parliamentary support from the Home Office and legal advice from the Treasury Solicitor's Office.

Main items of GEO administration expenditure against the budget of £9.5m were salaries of £6m, legal services from the Treasury Solicitor's Office of £1m and accommodation and IT costs of £0.8m.

### Consultancy Spending

GEO did not use any IT or management consultancy services in 2010-11.

## Spending Review

GEO agreed a settlement with HM Treasury as follows.

Year	Resource £m	Capital £m
2011-12	66	1.5
2012-13	62	1
2013-14	55	1
2014-15	47	0.5

This settlement represents a 30 per cent cut in GEO's budget over the Spending Review years. This is in line with cuts elsewhere in government.

## Governance

As noted above, the Departmental Board steers the GEO's work, providing challenge as necessary on the major operational and managerial issues brought to it. The Board met six times in the year, concentrating in particular on GEO performance, risks and finance, as well as examining key equalities policy issues. The minutes of the Board are circulated to all staff and are available on GEO's website.

Peter Bungard chairs the GEO's Audit and Risk Committee, with the other non-executive members completing the membership. Representatives from the National Audit Office, internal audit and the GEO's corporate services directorate advise the Committee. The Committee provides the GEO Board with assurance and challenge on finance, including the review of draft accounts, and on GEO's management of risk. The Committee, as do the main Board, review the effectiveness of their operations and benchmark against established good practices, such as the National Audit Office handbook for Audit Committees.

Other main governance fora are the Senior Management Team, which meets twice a week to plan and review key operational issues, and the Research Management Board, which examines and approves commissions for research in support of evidence-based policy making. During the year we also convened groups to manage the GEO's interests in the Spending Review and the reform of the equalities landscape, concentrating mainly on the work and direction of the Women's National Commission and the Equality and Human Rights Commission. Towards the end of 2010, GEO set up a group to oversee negotiations and agreements underpinning GEO's merger with the Home Office.

GEO is scrutinised by the National Audit Office, who provided interim and year-end audits of GEO systems and financial documents. Internal Audit, commissioned from Communities and Local Government, provided reports on GEO's risk management procedures, key financial controls and data handling.

## **Workforce diversity**

At 21 January, based on declarations that staff choose to make:

- 107 people work in the GEO of whom 65% are women and 35% men;
- 22% of GEO staff are from ethnic minority backgrounds; and
- 4% of GEO staff have disclosed a disability.

GEO issued the latest version of its equality scheme in March 2011.

## **Improving our capability**

GEO has taken steps to ensure that staff are fully equipped for the work they do. GEO completed a learning and development audit in the year and identified the key skills and training needed. More recently, following a shift in emphasis from equality policy development to Equality Act implementation and the move towards structural reform of our non-departmental public bodies we have begun to identify new skills that we need and the associated learning and development opportunities.

GEO's survey results in the year were very encouraging with strong survey results in relation to work / home life balance. Results on learning and development were particularly good. Taking all questions on learning and development together, GEO's performance improved by 12% on last year and is 8% better than Civil Service average.

## **Occupational Health and Safety**

GEO was based in Communities and Local Government's headquarters building, Eland House, in the year and consequently we relied on that department's Health and Safety measures. No health and safety incidents were reported in the year.

## **Environmental matters**

As GEO was located in Eland House it was governed by the Communities and Local Government (CLG) environmental policies; the department works to Sustainable Operations on the Government Estate targets covering the following key areas:

- carbon neutrality
- carbon emissions
- energy efficiency
- waste and recycling
- biodiversity and
- water consumption.

Communities and Local Government has a strong record in meeting these targets.

## **Public Information**

GEO's website ([www.equalities.gov.uk](http://www.equalities.gov.uk)) is readily accessible and conforms to good practice standards. We deal with significant numbers of Freedom of Information requests (101 received in the year, with 82% answered on time), and large amounts of Ministerial Correspondence (607, with 62% answered within the 20 day target).

GEO can be contacted at [enquiries@geo.gsi.gov.uk](mailto:enquiries@geo.gsi.gov.uk)

## **Legal Services**

Treasury Solicitors Office (TSol) provides professional legal advice on the full range of GEO work, including drafting of primary and secondary legislation, providing advice on equalities, human rights and employment law, freedom of information and European law. Hilton Leslie heads the TSol team.

## **Principal risks and uncertainties facing GEO**

GEO closely monitors its financial, operational and legal risks. The Senior Management Team reviews GEO's risk register monthly and the Departmental Board reviews risks and risk management procedures every 4 months. The Audit & Risk Committee, chaired by Peter Bungard, regularly reviews GEO's corporate risk register and completes comprehensive six monthly reviews of all GEO's programme risk registers. During the year Internal Audit gave "substantial assurance" that our risk management policy and procedures were working well and conformed to good practice.

## **Key relationships with partners that might affect GEO's long-term position**

GEO has identified all key partners interested in equality strategy and legislation and meets with them regularly. In particular GEO has set up a Senior Stakeholders Group which meets quarterly, and issues a regular electronic newsletter to all those who have expressed an interest in being kept up-to-date. During the year GEO issued six formal consultations which received thousands of responses.

## **GEO's employees**

GEO sets great store by effective working relationships with staff and consults regularly with them in formal and informal structures. The staff survey results for GEO conducted in November 2010 showed a staff engagement index of 59% and that GEO was in the top 5 of 100 Civil Service Units for senior staff visibility and leadership. GEO monitors the equality and diversity of its employees and has a diversity delivery plan in place.

## **Financial Statement**

### **Items of Public Interest**

#### **Statutory background**

On 26th July 2007 the Prime Minister announced the establishment of the Government Equalities Office (GEO) to strengthen further the government's ability to deliver across the entire equalities agenda. On the 12th October 2007 a Transfer of Functions Order came into effect and the Government Equalities Office became a separate department required to produce its own report and accounts.

The Government Equalities Office presents the Resource Accounts for the financial year ended 31 March 2011. The accounts have been prepared in accordance with the direction given by HM Treasury in pursuance of section 7(2) of the Government Resources and Accounts Act 2000.

These financial statements relate solely to the Government Equalities Office's expenditure, and have been prepared in accordance with the accruals concept to give a true and fair view of the Department's affairs.

#### **Results for the year**

The Statement of Comprehensive Net Expenditure shows:

The net operating cost amounted to £61.90 million (2009-10 £69.05 million).

The net operating cost has been calculated after taking into account notional costs which are not currently charged to the Government Equalities Office but which are borne centrally by the Exchequer.

The net resource outturn amounted to £61.90m against an Estimate total of £71.518 million.

#### **Resource funding by Parliament**

The Government Equalities Office is a supply financed Government Department and, as such, remains subject to gross expenditure control under the Parliamentary Vote system. The GEO is accountable to Parliament for its expenditure and Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

#### **Commitment to equality and valuing diversity**

The Government Equalities Office is committed to providing services which embrace diversity and which promote equality of opportunity. As an employer we are also committed to equality and valuing diversity within our workforce. Our goal is to ensure that these commitments are embedded in our day-to-day working practices.

## **Employee involvement**

The Government Equalities Office respects its staff as people and values their contribution. An internal communications network is in place, reinforced by focus groups and regular discussions with staff.

Staff have access to welfare services and trade union membership. The Government Equalities Office has established procedures for consulting with trade unions.

## **Payments to suppliers**

The Government Equalities Office is committed to the prompt payment of bills for goods and services received. Payments are normally made when goods and services are received. A payment may be made earlier if it is legally due under a contract term. From May 2010, if there is no specific deadline in a contract, GEO has a target to make all payments within 5 days of acceptance of the relevant goods and services or receipt of a valid invoice or claim, whichever is the later. For 2010-11, GEO achieved a prompt payment performance of 80% against this target.

The 'Late Payment of Commercial Debts (Interest) Act 1998' which came into effect from 1 November 1998 and the 'Late Payment of Commercial Debts Regulations 2002' which came into force on 7 August 2002 provides all businesses and public sector bodies with the following entitlements:

- i. the right to claim interest for late payment;
- ii. the right to claim reasonable debt recovery costs, unless the supplier has acted unreasonably;
- iii. the right to challenge contractual terms that do not provide a substantial remedy against late payment; and
- iv. the right for 'representative bodies' to challenge contractual terms that are grossly unfair on behalf of small and medium sized enterprises.

No such charges have been incurred.

## **External Auditor**

These accounts have been audited by the Comptroller and Auditor General at a notional cost of £54k (2009-10 £59k).

As far as the Accounting Officer is concerned, there is no relevant audit information of which GEO's auditors are unaware, and the Accounting Officer has taken all the steps he ought to have taken to make himself aware of any relevant audit information and to establish that GEO's auditors are aware of that information.

## **Personal Data related incidents**

There were no reported personal data related incidents during 2010-11.

## **Sickness Absence Data**

The average working days lost per employee during the year due to sickness was 4.3 per person.

## **Public Sector Information Holders**

The Government Equalities Office is a Public Sector Information Holder, and has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

## **Appointment and remuneration of the Director General**

The permanent head of the Government Equalities Office was appointed by the Lord Privy Seal. The appointment is for an indefinite term under the terms of the Civil Service Commissioners' Recruitment Code.

## **Management Board (Senior Management Team)**

Members of the Management Board (Senior Management Team) during the year were:

Jonathan Rees	Director General and Accounting Officer
Janice Shersby	Deputy Head and Policy Director
Chris Bull	Director of Corporate Services
Melanie Field	Deputy Director, Discrimination Law
Alison Pritchard	Deputy Director, Equality PSA and Strategy
Helene Reardon-Bond	Deputy Director, Gender Equality Policy and Inclusion
Helen Carrier	Deputy Director, Evidence and Equality at Work
Charles M Ramsden (from 16 August 2010)	Deputy Director, Corporate Services

## **Board of Management responsibilities**

The Board has responsibility for leading the Government Equalities Office to ensure that it delivers on the aims set by the ministers, builds its capability for the future and maintains high standards of propriety. In the preparation of the accounts, the Board of Management has selected suitable accounting policies and applied them consistently; made judgements and estimates that are reasonable and prudent; and has prepared the accounts on a going concern basis.

The Salary and Pension Entitlements of the most senior managers are set out in the Remuneration Report.

## **Remuneration Report**

### **Policy**

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

### **Service Contracts**

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

### **Salary and pension entitlements**

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Board members) of the department and are subject to audit.

### **Remuneration**

#### **Ministers 2010-2011**

In 2010-11, following the General Election in May 2010, the Government Equalities Office reported to following Ministers from 12 May 2010:

- Rt. Hon Theresa May MP, the Minister for Women and Equalities and Home Secretary; and
- Lynne Featherstone MP, the Minister for Equalities and Criminal Information.

Theresa May's ministerial salary and pension declaration is reflected in the accounts of the Home Office as she is also the Home Secretary.

Lynne Featherstone's ministerial salary and pension declaration is reflected in the accounts of the Home Office as she is also the Parliamentary Under Secretary of State at the Home Office.

Prior 12 May 2010, the Government Equalities Office reported to the following Ministers:

- Rt. Hon Harriet Harman QC MP, the Minister for Women and Equality;
- Maria Eagle MP, the Minister of State at GEO and the Ministry of Justice and sponsor Minister for the Equality and Human Rights Commission;
- Vera Baird QC MP, Solicitor-General – leading on the Equality Act; and
- Michael Foster DL MP, the Parliamentary Under Secretary of State.

Harriet Harman was Lord Privy Seal and as such her Ministerial salary and pension declaration is reflected in the accounts of the Cabinet Office.

Maria Eagle's ministerial salary declaration is reflected in the accounts of the Ministry of Justice as she was also the Minister of State at the Ministry of Justice.

Vera Baird was the Solicitor General and as such her Ministerial salary and pension declaration is reflected in the accounts of the Attorney General's Office.

Michael Foster was an unremunerated minister.

The following information has been audited.

## The Board

The GEO Board is made up of the following non-executive and executive Directors.

### Non-Executive Directors

The Non-Executive Directors of the Board received the following remuneration for their services during the year:

Non- Executive Directors	2010-2011			2009-2010		
	Salary £	Bonus Payments £	Benefit-in-Kind (to nearest £100)	Salary £	Bonus Payments £	Benefit-in-Kind (to nearest £100)
Peter Bungard	4,000	-	-	4,000	-	-
Judy McKnight	4,000	-	-	4,000	-	-
Janet Soo-Chung	2,000 <sup>1</sup> (4,000 full year equivalent)	-	-	3,500 <sup>2</sup> (4,000 full year equivalent)	-	-
Fiona Cannon <sup>3</sup> (from 1 November 2010)	-	-	-	-	-	-

<sup>1</sup> additional £2,000 to be paid in 2011-12.

<sup>2</sup> additional £500 earned was paid in 2008-09.

<sup>3</sup> Fiona Cannon is unremunerated Non-executive Director.

## Executive Directors

Executive Directors	2010-2011			2009-2010		
	Salary £'000	Bonus Payments £'000	Benefit- in-Kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefit- in- Kind (to nearest £100)
Jonathan Rees	125-130	5-10	-	125-130	10-15	-
Janice Shersby	100-105	10-15	-	100-105	5-10	-
Chris Bull	95-100	5-10	-	95-100	5-10	-
Melanie Field	70-75	5-10	-	70-75	5-10	-
Alison Pritchard	70-75	-	-	70-75	5-10	-
Helene Reardon- Bond	65-70	5-10	-	65-70	-	-
Helen Carrier	60-65	-	-	55-60 <sup>2</sup> (60-65 full year equivalent)	-	-
Charles Ramsden (from 16 August 2010)	45-50 <sup>1</sup> (75-80 full year equivalent)	-	-	10-15 <sup>3</sup> (75-80 full year equivalent)	-	-

2010-11

<sup>1</sup>Figure quoted is for the period 16 August 2010 to 31 March 2011.

2009-10

<sup>2</sup>Figure quoted is for the period 25 May 2009 to 31 March 2010

<sup>3</sup>Figure quoted is for the period 1 April 2009 to 31 May 2009.

## Salary

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

This report is based on accrued payments made by the department and thus recorded in these accounts. In respect of ministers in the House of Commons, departments bear only the cost of the additional ministerial remuneration; the salary for their services as an MP (£65,738 from 1 April 2010) and various allowances to which they are entitled are borne centrally.

## Benefits in kind

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

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2010-11 relate to performance in 2010-11 and the comparative bonuses reported for 2009-10 relate to the performance in 2009-10.

## Pension Benefits

Government Equalities Office SMT 2009-10	Real Increase in Pension at pension age	Real Increase in Lump Sum at pension age	Accrued Pension at pension age 31/03/2011	Accrued Lump Sum at pension age 31/03/2011	CETV at 31/03/2010 <sup>1</sup>	CETV at 31/03/2011	Real Increase in CETV during the year
	£000	£000	£000	£000	£000	£000	£000
Jonathan Rees	0-2.5	0	70-75	0	1126	1192	-2 <sup>2</sup>
Janice Shersby	0-2.5	0-2.5	30-35	90-95	414	456	4
Chris Bull	0-2.5	0-2.5	35-40	115-120	743	807	0
Melanie Field	0-2.5	0-2.5	15-20	55-60	261	287	3
Alison Pritchard	0-2.5	0	5-10	0	89	108	9
Helene Reardon-Bond	-2.5 – 0	-2.5 – 0	30-35	90-95	551	594	-2 <sup>2</sup>
Helen Carrier	0-2.5	0	5-10	0	75	91	7
Charles Ramsden (From 16 August 2010)	0-2.5	0-2.5	25-30	85-90	508	549	0

<sup>1</sup> The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31/3/2010 and 31/3/2011 have both been calculated using the new factors, for consistency. The CETV at 31/3/2010 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

<sup>2</sup> Taking account of inflation, the CETV funded by the employer has decreased in real terms.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute

and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

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

*Jonathan Rees*

Director General and Accounting Officer

July 2011

## Statement of Accounting Officer's responsibilities

1. Under the Government Resource and Accounting Act 2000, the Government Equalities Office is required to prepare Resource Accounts for each financial year, in conformity with Treasury direction, detailing the resources acquired, held or disposed of during the year and the use of resources by the Government Equalities Office during the year.
2. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Government Equalities Office and of its net resource outturn, net operating cost, changes in taxpayers' equity and cash flows for the financial year.
3. Her Majesty's Treasury has appointed the permanent Head of the Government Equalities Office as Accounting Officer with the overall responsibility for preparing the Government Equalities Office's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Government Equalities Office is required to comply with the Financial Reporting Manual prepared by HM Treasury, and in particular to:

- observe the Accounts Direction issued by Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Government Equalities Office will continue in operation.

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

## Statement on Internal Control

### Scope of responsibility

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

GEO takes the lead in government on issues relating to women and gender equality, sexual orientation and transgender equality matters and is responsible for the Government's overall strategy on equality issues and for legislation.

In doing this the GEO reports to the Rt Hon Theresa May MP, Minister for Women and Equalities in addition to her role as Home Secretary and to Lynne Featherstone MP, Parliamentary Under Secretary of State (Minister for Equalities).

On 1 April 2011 the GEO was merged with the Home Office and a good deal of effort was spent in the closing months of 2010-11 setting up the necessary arrangements. This work involved the identification of new risks and challenges and the founding of new financial control and risk management procedures. In the year to which these accounts relate, however, GEO was a separate department with services provided by a range of suppliers (Communities and Local Government provided accommodation, IT and some finance and HR services, Treasury Solicitors provided legal services).

I was concerned in the year therefore to ensure the continuing cost-effectiveness of those services as well as establishing arrangements with the Home Office that will provide sound financial controls over GEO's budgets in future. My other primary concern in the year was to negotiate an acceptable Spending Review settlement so that GEO has sufficient funding to meet the policy objectives set for it by Ministers and to deliver the GEO's Business Plan for 2011-2015. That Spending Review settlement, with its emphasis on reducing government spending across Whitehall, including within GEO, adds impetus to GEO efforts to ensure the careful control of public money and the cost-effectiveness of operations.

GEO continued to sponsor the Equality and Human Rights Commission in the year and to monitor the financial and operational achievements of the Commission. The Commission's financial controls have improved over the year in part thanks to the financial improvement plan GEO and HM Treasury agreed with the Commission. But the improvements made have had the effect of revealing significant historic lapses in financial control at the Commission, culminating in the qualification of the third set of Commission accounts. The Commission continues to represent a high risk to the regularity and value for money of the main bulk of GEO's budget and further improvements in its accountability are necessary, along with significant reform of its objectives and operations. At the time of writing we are receiving responses to a consultation document issued by the Government on the reform of the Commission, focusing on its core regulatory functions, but also proposing important changes to its functions, governance and controls.

The Women's National Commission was closed in the year and its functions absorbed in GEO. I am currently making arrangement to ensure that women's voices continue to be heard in government.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to an acceptable 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 departmental policies, aims and objectives, to evaluate the likelihood of those risks being realized, and to manage the efficiently, effectively and economically. The system of internal control has been in place in the GEO for the year ended 31 March 2011 and up to the date of the approval of the annual report and accounts, and accords with Treasury guidance.

GEO is a small department, some one hundred strong, and with, by departmental standards, a modest budget. Consequently I require that the GEO's internal controls are proportionate and are designed, given the limited resources I have, to keep risk to a reasonable level.

Internal controls operate at all levels in GEO, from considering financial implications and risks in policy proposals put to Ministers through a comprehensive delegations policy and down to the divisions of duties built into our financial systems. We supplement this by reviewing finances and performance at every fourth meeting of the Senior Management Team and by the work of our Research Management Board, which considers the value for money and financing of our research programme. We consider our key risks weekly at our Senior Management Team, and report on these – and mitigating action – in a report copied to Ministers.

In their interim audit report of March 2011 the National Audit Office recorded that their audit had not identified any significant control failures, although there are some areas where controls can be tightened. GEO have acted on the recommendations made.

In their April 2011 report "Key Financial Control Testing" Internal Audit concluded that:

*"Overall there are satisfactory key financial controls with some minor weaknesses"*

and gave "*substantial assurance*".

Internal Audit noted that the GEO's merger with the Home Office and the consequent adoption of their financial services will address the minor weaknesses.

### **Capacity to handle risk**

The main challenges in 2010-11 were responding to the new policy imperatives and objectives required by the new administration; negotiating a sufficient financial settlement within the 2011-2015 Spending Review; and coping with and preparing for the unanticipated merger with the Home Office. These were negotiated successfully, so that:

- following the change of administration GEO has a new and important remit to help government consider equality as a matter of course, while supporting business and the voluntary sector in the Coalition's principles of equal treatment and equal opportunity and transforming the Equality and Human Rights Commission;
- we have sufficient funding to deliver these new and important objectives; and
- we are well placed to benefit from the Home Office's support while retaining a distinct identity and a cross-cutting role across government.

In securing these good results GEO took care to establish the risks of each main challenge and to build robust programmes and projects that routinely considered risk and devised appropriate mitigations.

### **The risk and control framework**

There have been no losses of data and all staff have completed mandatory information assurance checks. Our risk management practices have continued to improve in the year and have been commended by Internal Audit as offering substantial assurance. Internal Audit recorded in their June 2010 report on Risk Management that: *"many areas are well controlled and accord with good management practice."*

I consider that risk management and mitigation is now well embedded in GEO. The GEO has a risk management policy firmly anchored in best practices and the Senior Management Team consider the corporate risk register every 4 or 5 weeks. Team leaders maintain their own comprehensive risk registers, escalating risks to the main corporate register as necessary. The GEO Board and the Audit and Risk Committee also consider risk regularly. In his Annual Report for 2010-11 the Chair of the Audit and Risk Committee recorded that:

*"it is very reassuring to have comprehensive and up-to-date risk registers for all corporate and project risks. Their completeness demonstrates that this issue is embedded into the operation of the Department...At a corporate level, despite significant change in political and business context, risks have moved from a pattern of amber/red to amber/green...all this points towards a strong and mature control environment."*

### **Review of effectiveness**

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance

of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised of the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

I am confident that GEO's internal controls have improved considerably since GEO was created as a separate department in October 2007 and NAO have played an important part in that. Their reviews and advice have helped me develop the effective systems we now have.

Internal Audit has noted good progress also and their report on Key Financial Control Testing, noted above, has been complimentary. We still have some way to go on data security, however, and Internal Audit has provided a report that gives our procedures only limited assurance. While all staff have taken up essential training in data security GEO as an organization is still some way short of mandatory minimum standards. I shall be working with our new parent department, the Home Office, to ensure that GEO as a Group within that department plays a full role in keeping data secure. We will seek advice from Home office as to what further steps we need to take. I am grateful to Internal Audit for their constructive work on this and for the recommendations they have made.

In its Annual Internal Audit Report and Opinion Internal Audit concluded that there were no significant control issues that required disclosure in this Statement on Internal Control.

I am confident that we merge with the Home Office after three and a half years as a separate department with a control system that has been effective and which will leave us well-placed to work to the exacting standards the Home Office expects.

### **Significant internal control issues**

Although the preceding points to consolidation of GEO's systems at an effective level, GEO has limited assurance over the controls governing the large majority of GEO's budget. The Chair of the Audit and Risk Committee has recorded in his annual report that the Equality and Human Rights are *"still perceived as a high risk to GEO's accountability and reputation"*.

The Comptroller and Auditor General has qualified all three sets of Commission accounts since it was established in 2007. The third set, for 2009-10, are qualified on the grounds of, mainly, irregular payments, made without GEO's authority. While these irregularities are very largely the legacy of past weaknesses in control they point to a need for strong financial control within the Commission and improved accountability.

As Accounting Officer, through my frequent work with the Commission's Chair and Chief Executive, I have noted significant improvements in the Commission's financial controls and reporting. I have increasing confidence that those controls are now more effective, more likely to mitigate risks, and will help the Commission avoid the operational and financial problems of the past. I remain concerned however that the Commission maintain the progress made and note that the improvements have

largely been secured by expert interim staff. The Commission will need to ensure that the right lessons have been learned and that progress will be maintained once those staff have left. I am also concerned that the Commission's business planning systems, and allocation of resources is not yet of adequate quality, and we will be addressing these issues in the coming months.

I note also that the Commission has big challenges ahead. The reform required by Ministers and the significant cuts in budget required by the Spending Review will require careful management and strong control to ensure the Commission meets its new purpose and has internal systems that are fit for purpose. While the Commission is an arm's length body and I do not have direct control over its everyday operations the transformation of the Commission, ensuring it is focused on its new role and is operationally effective, is my key priority in the next year. I shall also keep the Commission's budget under close review and continue to monitor its achievements against the money it spends.

I agree entirely with the Chair of the Audit and Risk Committee's assessment in his annual report:

*'The Committee is of the opinion that appropriate control mechanisms exist for the operation of GEO's responsibilities, with the exception of the EHRC sponsorship responsibility representing an unacceptably high risk. This latter issue should remain a focus for improvement over the next year.'*

This is my fourth and final Statement on Internal Control in what will be GEO's last set of accounts before merging with the Home Office. I have been able to write with increasing confidence about the internal controls in each successive statement. I am grateful to my staff for securing those improvements, so that GEO now operates with strong assurance that public money is protected and managed effectively. Others have played important roles in this. I am grateful to the National Audit Office and to Neil Sayers in particular for the advice and constructive criticism given and to Communities and Local Government staff who have provided our internal audit service. Under Pete Bungard's assured chairmanship the Audit and Risk Committee has also played a key role, providing support and challenge as appropriate. Much good progress has been made.

Jonathan Rees

Director General and Accounting Officer

July 2011

## **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS**

I certify that I have audited the financial statements of the Government Equalities Office for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cashflows, 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.

### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Management Commentary to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### **Opinion on Regularity**

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

### **Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2011 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the 'Who we are and what we do' and 'Managing our resources' sections of the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

*Amyas C E Morse*

*Date*

*Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP*

# Statement of Parliamentary Supply

## Summary of Resource Outturn 2010-11

Request for Resource	Note	Gross Expenditure	A in A	Estimate		Outturn		2010-11 £000	2009-10 £000
				Net Total	Gross Expenditure	A in A	Net Total	Net Total outturn compared with Estimate: saving/(excess)	Outturn
1	3	71,539	21	71,518	61,901	0	61,901	9,617	69,010

## Net cash requirement 2010-11

	Note	Estimate	Outturn	2010-11 £000	2009-10 £000
Net cash requirement	4	71,517	62,667	8,850	69,362

## Summary of income payable to the Consolidated Fund

Note	2010-11 £000 Forecast		2010-11 £000 Outturn	
	Income	Receipts	Income	Receipts
(In addition to appropriations in aid, the following income relates to the Department and is payable to the Consolidated Fund)	0	0	474	474
<b>Total</b>	<b>0</b>	<b>0</b>	<b>474</b>	<b>474</b>

The notes on pages 42 to 53 form part of these accounts

Explanations of variances between Estimate and outturn are given in Note 2 and in the Management Commentary.

## Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

			2010-11 £000	2009-10 £000
				(Restated)
	Note	Staff Costs	Other costs	Income
<b>Administration Costs:</b>				
Staff costs	7	6,098		6,496
Other administration costs	8		2,543	2,900
Operating Income			0	0
<b>Programme Costs Request for Resource 1</b>				
Staff costs	7	291		862
Programme costs	9		52,969	58,913
Income	10			(124)
<b>Totals</b>		<b>6,389</b>	<b>55,512</b>	<b>0</b>
<b>Net Operating Cost for the year ended 31 March 2011</b>	<b>3</b>		<b>61,901</b>	<b>69,047</b>
<b>Total Comprehensive Expenditure for the year ended 31 March 2011</b>			<b>61,901</b>	<b>69,047</b>

This statement does not include Other Comprehensive Expenditure because GEO has no gains or losses other than the net operating cost.

The notes on pages 42 to 53 form part of these accounts

		As at 31 March 2011		As at 31 March 2010		As at 31 March 2009	
		£000	£000	£000	£000	£000	£000
	<b>Note</b>						
<b>Non-current assets:</b>			0		0		0
<b>Current assets:</b>							
Trade and other receivables	<b>12</b>	511		981		1,309	
Cash and Cash equivalents	<b>13</b>	773		1,394		7,308	
<b>Total current assets</b>			1,284		2,375		8,617
<b>Total Assets</b>			<u>1,284</u>		<u>2,375</u>		<u>8,617</u>
<b>Current Liabilities</b>							
Trade and other payables	<b>15</b>	(527)		(1,691)		(8,307)	
<b>Total Current Liabilities</b>			<u>(527)</u>		<u>(1,691)</u>		<u>(8,307)</u>
<b>Non-current assets plus/less net current assets/liabilities</b>			<u>757</u>		<u>684</u>		<u>310</u>
<b>Non Current liabilities</b>			0		0		0
<b>Assets less Liabilities</b>			<u>757</u>		<u>684</u>		<u>310</u>
<b>Taxpayers' Equity:</b>							
General fund			757		684		310
<b>Total taxpayers' equity</b>			<u>757</u>		<u>684</u>		<u>310</u>

## Statement of Financial Position

as at 31 March 2011

(Signed) .....(Accounting Officer)

July 2011

The notes on pages 42 to 53 form part of these accounts

**Statement of Cash Flows**  
for the year ended 31 March 2011

		2010-11 £000	2009-10 £000
	Note		
<b>Cash outflow from operating activities</b>			
Net operating cost		(61,901)	(69,047)
Adjustment for non-cash transactions	8	54	59
(Increase)/Decrease in trade and other receivables	12	470	328
Less Movement in receivables relating to items not passing through the SoCNE	12	(126)	546
Increase/(Decrease) in payables	15	(1,164)	(6,616)
Less Movement in payables relating to items not passing through the SoCNE	15	0	6,116
<b>Net cash outflow from operating activities</b>		<b>(62,667)</b>	<b>(68,614)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (supply) - current year		61,500	63,400
From the Consolidated Fund (supply) - prior year		546	
<b>Net Financing</b>		<b>62,046</b>	<b>63,400</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>(621)</b>	<b>(5,214)</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		474	0
Payments of amounts due to the Consolidated Fund		(474)	(700)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>(621)</b>	<b>(5,914)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	13	<b>1,394</b>	<b>7,308</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>773</b>	<b>1,394</b>

The notes on pages 42 to 53 form part of these accounts

**Statement of Changes in Taxpayers' Equity**  
for the year ended 31 March 2011

	Note	General Fund £000
<b>Balance at 31 March 2009</b>		<b>310</b>
Changes in accounting policy		0
<b>Restated balance at 1 April 2009</b>		<b>310</b>
Net Parliamentary Funding - drawn down		63,400
Net Parliamentary Funding - deemed		5,416
Supply (payable)/receivable adjustment		546
Comprehensive Expenditure for the Year		(69,047)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - auditor's remuneration	8	59
<b>Balance at 31 March 2010</b>		<b>684</b>
Net Parliamentary Funding - drawn down		61,500
Net Parliamentary Funding - deemed		0
Supply (payable)/receivable adjustment		420
Comprehensive Expenditure for the Year		(61,901)
<b>Non-Cash Adjustments:</b>		
Non-cash charges - auditor's remuneration	8	54
<b>Balance at 31 March 2011</b>		<b>757</b>

The notes on pages 42 to 53 form part of these accounts

## Notes to the accounts for the year ended 31 March 2011

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Government Equalities Office for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Government Equalities Office for the reportable activity are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The financial statements are presented in pounds sterling and all values are shown to the nearest thousand pounds. The functional currency of the Government Equalities Office is pounds sterling.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare an additional primary statement. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

On 1 April 2011 the activities and functions of the Government Equalities Office (GEO) transferred to the Home Office. The transfer will be accounted for in accordance with the FReM guidance for Machinery of Government changes. Management consider it appropriate to continue to adopt the going concern basis in preparing the annual report and accounts.

#### 1.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

#### Basis of Consolidation

#### 1.2 Non-current Assets

The Government Equalities Office does not own any non-current or intangible assets. The Capitalisation threshold is £5,000, except for land, for which there is no minimum.

#### 1.3 Inventories

The Government Equalities Office holds inventories of stationery, free publications, computer spares and similar consumable materials. Due to the nature of these items the Government Equalities Office does not consider it appropriate to reflect their value in the Statement of Financial Position. Accordingly the Government Equalities Office has charged all expenditure on consumable items to the Statement of Comprehensive Net Expenditure.

#### 1.4 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of

expenditure and income as administration or as programme follows the definition of administration costs set out by HM Treasury.

Administration costs reflect the direct costs of running the Government Equalities Office as defined under the administration cost control regime, together with associated operating income.

Programme costs include grant in aid payments to Equality and Human Right Commission, grants to small bodies, the running costs of Women's National Commission (WNC) and its associated income, and other expenditure incurred by GEO that does not fall within administration category.

### **1.5 Grants Payable**

A grants payable liability arises when the grant recipient carries out the specific activity which forms the basis of the entitlement, or otherwise meets the grant entitlement criteria.

### **1.6 Operating income**

Income is recorded on an accruals basis at the transacted amounts, or the amounts at which customers are committed to pay.

### **1.7 Foreign Currency Transactions**

Foreign currency payments are accounted for at the Sterling equivalent at the exchange rate ruling on the day the payment is made.

### **1.8 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the department recognises the contributions payable for the year.

### **1.9 Provisions**

The Government Equalities Office provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury discount rate of 2.2% in real terms.

### **1.10 Value Added Tax**

Prior to 1 April 2008 the Department for Communities and Local Government accounted for VAT on transactions incurred by the Government Equalities Office.

On 1 April 2008 the Government Equalities Office became VAT registered. Most of the activities of the Office are outside the scope of VAT. Input VAT is recovered on certain contracted out services. Irrecoverable VAT is charged to the relevant expenditure category or, if appropriate, capitalised with additions of fixed assets.

Where output tax is charged or input VAT is recoverable, the amounts will be stated net of VAT.

### **1.11 Impending application of newly issued accounting standards not yet effective**

The department provides disclosure that it has not yet applied a new accounting standard, and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the department's financial statements.

**1.12** In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the removal of the cost of capital charge were not included in Spring Supplementary Estimates for 2010-11, other than as a note, on the basis that the PPA numbers could have been misleading. The impact of these accounting policy changes on Supply outturn in respect of 2009-10 are shown in **1.13**.

**1.13** The removal of the cost of capital charge has the following effect on Resource outturn in 2009-10. The Statement of Parliamentary Supply and related notes have not been restated for this effect.

	<b>2009-10</b>
	<b>£000</b>
Net Resource Outturn (Statement of Parliamentary Supply)	<b>69,010</b>
Removal of the cost of capital charge	37
Adjusted Net Resource Outturn	<b>69,047</b>

**1.14** *International Financial Reporting Standard 8: Operating segments (IFRS 8)* requires operating segmental information to be provided based on information that the Chief Operating Decision Maker (CODM) uses to make decisions about the organisation. The GEO has concluded that it only has one business activity of “Promoting a fair and equal society where everyone has the opportunity to prosper and reach their full potential” because its internal activities are closely related and share similar characteristics, and therefore has only one operating segment.

## 2 Analysis of net resource outturn by section

	Outturn						2010-11	2009-10	
	Admin	Other Current	Grants	Gross resource Expenditure	A in A	Net Total	£000 Estimate	£000	
							Net Total	Net Total	Prior Year outturn
							Estimate	Estimate	
							comparing	comparing	
							with	with	
							Estimate	Estimate	
<b>Request for Resource 1: Promoting a fair and equal society where everyone has the opportunity to prosper and reach their full potential</b>									
A) Administration	8,641	1,347	0	9,988	0	9,988	15,318	5,330	12,694
B) Grants to Private Sector and Charities	0	0	1,139	1,139	0	1,139	1,200	61	1,304
C) Payments to NDPBs	0	0	50,774	50,774	0	50,774	55,000	4,226	55,049
<b>Resource Outturn</b>	<b>8,641</b>	<b>1,347</b>	<b>51,913</b>	<b>61,901</b>	<b>0</b>	<b>61,901</b>	<b>71,518</b>	<b>9,617</b>	<b>69,047</b>

The underspend relates to:-

a) Administration –

- (i) A decrease in staff numbers over the reporting period;
- (ii) A reduction in the number of programme streams.

b) Payments to NDPBs – Grant in aid not required by the Equality and Human Rights Commission

## 3 Reconciliation of outturn to net operating cost and against Administration Budget

### 3.1 Reconciliation of net resource outturn to net operating cost

		£000	£000	2010-11	2009-10
		Outturn	Supply Estimate	£000	£000
				Outturn	Outturn
				comparing	comparing
				with	with
				Estimate	Estimate
Net Resource Outturn	Note 2	61,901	71,518	9,617	69,010
Prior Period Adjustment		0	0	0	37
Non-supply income (CFERs)	5	0	0	0	0
<b>Net operating cost</b>		<b>61,901</b>	<b>71,518</b>	<b>9,617</b>	<b>69,047</b>

### 3.2 Outturn against final Administration Budget

	£000	2010-11 £000	2009-10 £000
	<b>Budget</b>	<b>Outturn</b>	<b>Outturn</b>
Gross Administration Budget	9,525	8,641	9,396
Income allowable against Administration Budget	0	0	0
<b>Net Outturn against final Administration Budget</b>	<b>9,525</b>	<b>8,641</b>	<b>9,396</b>

### 4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
Resource Outturn	2	71,518	61,901	9,617
Non Cash Items	8	(1)	(54)	53
Changes in Working Capital other than cash			820	(820)
<b>Net cash requirement</b>		<b>71,517</b>	<b>62,667</b>	<b>8,850</b>

### 5. Analysis of income payable to the Consolidated Fund

	Note	Forecast 2010-11		Outturn 2010-11	
		£000		£000	
		Income	Receipts	Income	Receipts
Other operating income and receipts not classified as A in A		0	0	0	0
		0	0	0	0
Amounts collected on behalf of the consolidated Fund		0	0	474	474
Excess cash surrenderable to the Consolidated Fund		0	0	0	0
<b>Total income payable to the Consolidated fund</b>		<b>0</b>	<b>0</b>	<b>474</b>	<b>474</b>

## 6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated fund

	Note	2010-11 £000	2009-10 £000
Operating Income	10	0	124
Income authorised to be appropriated in aid		0	(124)
<b>Operating income payable to the Consolidated Fund</b>	<b>5</b>	<b>0</b>	<b>0</b>

## 7. Staff Numbers and Related Costs

Staff costs consist of:

	2010-11				2009-10	
	Total	Permanently employed staff	Others	Ministers	Special Advisors	Total
	£000	£000	£000	£000	£000	£000
Wages and salaries	5,114	5,009	105	0	0	5,927
Social security costs	421	421	0	0	0	456
Other pension costs	949	949	0	0	0	975
<b>Sub Total</b>	<b>6,484</b>	<b>6,379</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>7,358</b>
Less recoveries in respect of outward secondments	(95)	(95)	0	0	0	0
<b>Total net costs</b>	<b>6,389</b>	<b>6,284</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>7,358</b>

Staff cost borne by programme expenditure is £291k (2009-10: £862k)

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Government Equalities Office is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Associates) conducted a full actuarial valuation as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2010-11, employer's contributions of £936k were payable to the PCSPS (2009-10: £975k) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners

Employees joining after 1 October 2002 can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There were no employer's contributions to such a pension made in 2010-11.

### Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below.

				2010-11 Number	2009-10 Number
	Total	Permanent staff	Others	Special Advisors	Total
	107	104	3	0	130
<b>Total</b>	<b>107</b>	<b>104</b>	<b>3</b>	<b>0</b>	<b>130</b>

## 8. Other administration costs

	Note	2010-11 £000	2009-10 £000
Goods and services	8a	875	1,317
Legal Costs	8b	975	1,045
Accommodation costs	8c	639	479
<b>Non-cash items</b>			
Auditor's remuneration and expenses	8d	54	59
		<b>2,543</b>	<b>2,900</b>

- Goods and services expenditure is mainly in respect of IT services, travel and subsistence, contracted out office services, staff training, management and professional fees, printing and stationery, telephone costs and general postage;
- Legal costs relate to professional legal advice on policy development, new bills, European directives and litigation provided by Treasury Solicitor's Department;
- The rental charge for GEO floor space in Eland House was £639k (2009-10: £385k).
- Audit fees comprise £54k (2009-10: £55.5k) for the audit of financial statements and £0k (2009-10: £3.5k) for the audit of restated 31 March 2009 accounts under International Financial Reporting Standards.

## 9. Programme Costs

	2010-11 £000	2009-10 £000
<b>Grant in Aid Payment:</b>		
Commission for Equality and Human Rights	50,774	55,049
<b>Grants to Private Sector and Charities:</b>		
Rape Crisis Centres	1,000	1,085
National Equality Panel	91	120
Equality South West	41	41
Quality Part time work	7	0
Civil Service Rainbow Alliance (CSRA)	0	45
British Association of Adoption and Fostering (BAAF)	0	13
<b>Other Programme costs:</b>		
Women's National Commission	70	338
Gender Equality Policy	581	959
Future Equalities Programme	152	1,186
Discrimination Law Review	253	77
<b>Total</b>	<u>52,969</u>	<u>58,913</u>

## 10. Operating income

	2010-11 £000	2009-10 £000
<b>Programme income</b>		
Sales of services	0	(124)
<b>Total Programme Income</b>	<u>0</u>	<u>(124)</u>

Income relates to services rendered to OGDs by Women's National Commission

## 11. Analysis of net operating cost by spending body

		2010-11 £000	2009-10 £000
<b>Spending Body</b>	<b>Estimate</b>	<b>Outturn</b>	<b>Outturn</b>
Government Equalities Office	15,518	9,988	12,657
<b>Non-departmental public bodies</b>			
Commission for Equality and Human Rights	55,000	50,774	55,049
<b>Grant to Private Sector and Charities</b>			
Rape Crisis Centres	1,000	1,000	1,085
National Equality Panel	0	91	120
Equality South West	0	41	41
Quality Part time work	0	7	0
Civil Service Rainbow Alliance (CSRA)	0	0	45
British Association of Adoption and Fostering (BAAF)	0	0	13
<b>Net Operating Costs</b>	<u>71,518</u>	<u>61,901</u>	<u>69,010</u>

## 12. Trade receivables and other current assets

	2010-11 £000	2009-10 £000	2008-09 £000
<b>Amounts falling due within one year:</b>			
VAT	63	262	171
Other receivables	28	143	138
Prepayments and accrued income	0	30	1,000
Amounts due from the Consolidated Fund in respect of supply	420	546	0
	<u>511</u>	<u>981</u>	<u>1,309</u>

Government Equalities Office has no receivables falling due after one year.

### 12.1 Intra-Government Balances

The following table analyses total receivables balances across the categories shown:

	2010-11 £000	2009-10 £000	2008-09 £000
<b>Amounts falling due within one year</b>			
Balances with other central government bodies	511	951	309
Balances with bodies external to government	0	30	1,000
<b>Total receivables at 31 March</b>	<u>511</u>	<u>981</u>	<u>1,309</u>

## 13. Cash and cash equivalents

	2010-11 £000	2009-10 £000	2008-09 £000
Balance at 1 April	1,394	7,308	88,000
Net change in cash and cash equivalents	<u>(621)</u>	<u>(5,914)</u>	<u>(80,692)</u>
<b>Balance at 31 March</b>	<u>773</u>	<u>1,394</u>	<u>7,308</u>

The following balances at 31 March were held at:

	2010-11 £000	2009-10 £000	2008-09 £000
Office of HM Paymaster General	0	1,372	7,308
Government Banking Service (GBS) Citi Bank Account	<u>773</u>	<u>22</u>	<u>0</u>
<b>Balance at 31 March</b>	<u>773</u>	<u>1,394</u>	<u>7,308</u>

## 14. Reconciliation of Net Cash Requirement to increase/(decrease) in cash

	2010-11 £000	2009-10 £000
Net cash requirement	(62,667)	(69,362)
From the Consolidated Fund (Supply) -current year	61,500	63,400
From the Consolidated Fund (Supply) – prior year	546	
Amounts due to the Consolidated Fund received in the prior year and paid over		(700)
Movement on Collaborative balances PPA for Movement in Working Capital		748
<b>Increase/(decrease) in cash</b>	<b><u>(621)</u></b>	<b><u>(5,914)</u></b>

## 15. Trade payables and other current liabilities

	2010-11 £000	2009-10 £000	2008-09 £000
<b>Amounts falling due within one year</b>			
Other taxation and social security	0	(21)	(2)
Trade payables	(165)	(95)	(879)
Accruals and deferred income	(362)	(1,575)	(1,310)
Amount issued from the Consolidated Fund as Supply, but not spent at year end	0	0	(5,416)
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund - Received	0	0	(700)
	<b><u>(527)</u></b>	<b><u>(1,691)</u></b>	<b><u>(8,307)</u></b>

GEO has no payables falling due after one year.

### 15.1 Intra-Government Balance

<b>Amounts falling due within one year</b>	<b>2010-11 £'000</b>	<b>2009-10 £'000</b>	<b>2008-09 £'000</b>
Balances with other central government bodies	(308)	(809)	(7,280)
Balances with other public bodies	(10)	0	(24)
<b>Subtotal of Intra government balances</b>	<b><u>(318)</u></b>	<b><u>(809)</u></b>	<b><u>(7,304)</u></b>
Balances with bodies external to government	(209)	(882)	(1,003)
<b>Total payables at 31 March</b>	<b><u>(527)</u></b>	<b><u>(1,691)</u></b>	<b><u>(8,307)</u></b>

## 16. Capital commitments

There are no capital commitments at 31 March 2011.

## 17. Commitments under leases

### Operating Leases

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

	2010-11 £000	2009-10 £000
<b>Obligations under operating leases for the following periods comprise:</b>		
Buildings:		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
	<hr/>	<hr/>
	0	0
Other:		
Not later than one year	0	5
Later than one year and not later than five years	0	0
Later than five years	0	0
	<hr/>	<hr/>
	0	5

## 18. Other financial commitments

### Communities and Local Government

Communities and Local Government's Financial Shared Services Division will continue to provide payment processing services to the Government Equalities Office over the next year at a price to be negotiated until GEO transfers to the Home Office.

## 19. Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

## 20. Contingent Liabilities

The Government Equalities Office does not have any Contingent Liabilities.

## 21. Related Party Transactions

The Government Equalities Office sponsors two commissions, the Equality and Human Rights Commission and the Women's National Commission. The Government Equalities Office granted some £50.8 million to the Equality and Human

Rights Commission in 2010-11 and met the £351k costs of the Women's National Commission.

During the year the Government Equalities Office had significant transactions with other government departments and other central government bodies including Department for Communities and Local Government, Department for Work and Pensions and Treasury Solicitor's Department.

No Minister, Board Member or Key officer has undertaken material transactions with the Government Equalities Office during the year.

## **22. Entities within the departmental boundary**

The entities within the boundary of GEO during 2010–11 were as follows:

### **22.1 Executive Non-departmental public body**

- a. The Equality and Human Rights Commission (EHRC)

This is an executive non-departmental public body of the GEO. The EHRC is not consolidated within the GEO's accounts. It produces an annual report and accounts which are available from its website at <http://www.equalityhumanrights.com>.

### **22.2 Non- Executive Non-departmental public body**

- a. The Women's National Commission (WNC)

This is a non-executive non-departmental public body of the GEO. The Women's National Commission ceased to exist after 31 December 2010 following review of all public bodies, set out in the Coalition Agreement announced in October 2010. The WNC did not produce its annual reports and its accounts were subsumed into GEO's resource accounts.

## **23. Events after Reporting Period**

The Government announced on 2 December 2010 of its intention to bring the GEO within the Home Office from 1 April 2011, with the result that the GEO will cease to exist as a separate department. As a result of this announcement, the GEO functions transferred into the Home Office on 1 April 2011 and ceased to be a separate department from this date.

These accounts were authorised for issue on 14 July 2011.

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