



LABOUR
RELATIONS
COMMISSION
**ANNUAL
REPORT
2014**



Labour Relations Commission

Annual Report 2014

**Presented to the Minister for Jobs, Enterprise, and Innovation
Mr Richard Bruton, T.D.**

in accordance with Section 27(3)
of the Industrial Relations Act, 1990

including the Commission's audited accounts for 2013 and
the un-audited accounts for 2014



Abbreviations and Acronyms

ACCS	Association of Community and Comprehensive Schools	IRN	Industrial Relations News
ASP	Annual Service Plan	JIC	Joint Industrial Council(s)
CIDT	Construction Industry Disputes Tribunal	JLC	Joint Labour Committee(s)
CRO	Case Resolution Officer	LRC	Labour Relations Commission
CSO	Central Statistics Office	MNC	Multinational Company
DB	Defined Benefit	NERA	National Employment Rights Authority
EAT	Employment Appeals Tribunal	NIB	National Implementation Body
ERO	Employment Regulation Order	NUIG	National University of Ireland Galway
ERS	Early Resolution Service	PAS	Public Appointments Service
ESB	Electricity Supply Board	PMDS	Performance Management & Development System
ESRI	Economic and Social Research Institute	PNA	Psychiatric Nurses Association
ETB	Education and Training Board	REA	Registered Employment Agreement
EU	European Union	RCS	Rights Commissioner Service
FDI	Foreign Direct Investment	SEAI	Sustainable Energy Authority of Ireland
FEMPI	Financial Emergency Measures in the Public Interest	SI	Statutory Instrument
HRA	Haddington Road Agreement	SIPTU	Services, Industrial, Professional, and Technical Union
HRM	Human Resource Management	SLA	Service Level Agreement
HSE	Health Service Executive	SME	Small and Medium Enterprise(s)
IBOA	Irish Bank Officials' Association	SNA	Special Needs Assistant
ICTU	Irish Congress of Trade Unions	TD	Teachta Dála (Member of the Irish Parliament)
IMF	International Monetary Fund	TEEU	Technical Engineering and Electrical Union
IPA	Institute of Public Administration	UCD	University College Dublin
IR	Industrial Relations	WRC	Workplace Relations Commission

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Mission Statement



“ To promote the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trade unions and employees.”



Function of the Commission

The Commission carries out this mission by providing the following specific services:

- an industrial relations Conciliation Service
- an industrial relations Advisory Service
- a Workplace Mediation Service
- a Rights Commissioner Service
- assistance to Joint Labour Committees and Joint Industrial Councils in the exercise of their functions

The Commission undertakes other activities of a developmental nature relating to the improvement of industrial relations practices including:

- the review and monitoring of developments in the area of industrial relations
 - the preparation, in consultation with the Social Partners, of codes of practice relevant to industrial relations
 - industrial relations research and publications
 - organisation of seminars and conferences on industrial relations and human resource management issues
-

Members and Officers of the Commission

Board and Chief Executive of the Labour Relations Commission 2014



Kieran Mulvey
Chief Executive
Labour Relations Commission



Breege O'Donoghue
Chairperson
Nominated to the Board by the
Government



John Hennessy
Chairman of the Audit Committee
Nominated to the Board by the Irish
Business and Employers
Confederation (Ibec)



Peter McLoone
Member of the Audit Committee
Nominated to the Board by the Irish
Congress of Trade Unions (ICTU)



Brendan McGinty
Member of the Audit Committee
Nominated to the Board by the Irish
Business and Employers
Confederation (Ibec)



Fergus Whelan
Nominated to the Board by the Irish
Congress of Trade Unions (ICTU)

Chairperson's Report 2014



The Board of the Commission had anticipated that by the end of 2014, substantial parliamentary progress would have been made in relation to the enactment of the Workplace Relations Bill, 2014. This did not prove the case and consequently the Board's period of office has been extended into 2015.

The Board throughout 2014, continued to review progress on the developmental stages of the integration process of the current agencies and, where appropriate, approved of any corporate or staffing and financial matters required and offered observations on change proposals.

This process involved also the continuation of the governance requirements as they related to the audit, oversight and operational requirements of the Board of the Commission under State Regulations, Codes of Practice and Corporate Governance obligations.

The Board of the Commission met and discussed with the Minister its views on the future remit and structure of the proposed Workplace Relations Commission.

The Board is conscious of the successful "brand Labour Relations Commission" in the public mind and this was particularly evidenced over the last twenty-four years of its operation in the "can do" attitude of its officers and staff in their respective approaches in Conciliation, Advisory, Rights Commissioner and applied research activities.

The Commission has established a strong reputation for providing professional dispute resolution services and is seen as a "just in time" and highly innovative and adaptable state agency.

On many occasions it has been seen to, and acknowledged for, resolving the seemingly most intractable of disputes. The intervention of the Commission in early 2010 made a significant contribution towards maintaining industrial peace and stabilising the public finances through the "Croke Park Agreement".

Its independent role is recognised by Government, employers, trade unions and their respective representatives alike.

This flows through to the role of the Advisory Service, the acceptability of its corpus of "Codes of Practice", the Rights Commissioner user friendly service and to the impact of its Strategy Statements and independently conducted and seminal research on human resources and conflict resolution over the last two decades.

The Board itself, representative of the Social Partners – Government, Employers, and Trade Unions has played an essential role in assuring and ensuring that the Commission has brought to bear a wealth of knowledge and experience and advice in its deliberations. This has been true of all Boards of the Commission since its establishment in 1991.

As this may be our final "Annual Report" – the Workplace Relations Commission is expected to be operational in the autumn of 2015 – I wish to pay a particular tribute to former Chairmen, to previous Board members and especially to the current Board members for their dedication and commitment over their respective periods of office.

To our former deceased Board members may I convey the old Irish blessing – "ar dheis Dé go raibh a h-anamacha dílis go léir".

Finally, I wish on behalf of the Board to acknowledge the work of the Chief Executive and his staff in the Commission. They are a formidable team and have made a major contribution to the levels of industrial peace we have enjoyed, to the modernisation of our enterprises and State services and to the recovery of Ireland's economic wellbeing in recent times.

Breege O'Donoghue

Chairperson
June 2015

Chief Executive's Review 2014



The continuing improvement in the Irish economy is reflective in the increasing level of activity in the labour market.

The increased and positive performance is to be welcomed and is a positive development after years of financial, economic and social hardship visited upon the country by reckless banking, lending and other policies in the previous decade.

The “period of austerity” has taken a high toll on the living standards of Irish people.

The Commission has played an important role in obtaining agreement between the Government and the public service unions in achieving a high degree of stability in containing public expenditure, pay and pension costs through both the “Croke Park” and “Haddington Road” Agreements. These were voluntarily negotiated, have sustained an important component of collective bargaining throughout all public services and great credit is due to public service workers and their respective Union leaderships in delivering a road to recovery.

A key element of these Agreements, apart from cost containment, has been the binding terms of the dispute settlement procedures. These have ensured industrial peace in the public service at a time when other countries – Troika assisted and non-assisted – have experienced increasing levels of industrial unrest in recent years e.g. in Greece, Spain, France, Germany and the UK.

2014 also was the year in which an increasing number of employers began the process of negotiating pay increases for their employees in new pay and productivity deals.

Several Unions e.g. SIPTU, Mandate, TEEU, UNITE, reported pay agreements of between 2% - 3% over the period. This level of activity has continued into 2015 with similar pay level increases being granted in many employments both in indigenous firms and multinational enterprises.

Progress on the draft Workplace Relations Commission Bill continued throughout the year with a substantial Bill being introduced by the Minister to the Oireachtas in July 2014.

The Bill represents a major change in our industrial relations architecture with the amalgamation of the Labour Relations Commission, the Equality Tribunal, the National Employment Rights Authority and the first instance functions of the Employment Appeals Tribunal into one body and with expanded appellate powers for the Labour Court. These are the most significant dispute resolution changes since the Industrial Relations Act, 1946 and the establishment of the Labour Court.

A high level group, including the Heads of the Agencies involved and senior management, has expended considerable energy over the last year in preparing the new organisation for operational efficiency and effectiveness.

It represents also a major “quango” reduction and public service reform.

This change is to be followed by a new and statutory Low Pay Commission, which will deal with Minimum Pay issues.

2015 will see the final year of the operation of the Labour Relations Commission in its current form. All of

its major functions will be incorporated into the new Workplace Relations Commission.

On my own behalf, I wish to place on record my sincere thanks and appreciation to all the management and staff who have worked with me over the last 25 years, and particularly to those deceased members of whom I have fond memories.

I wish also to thank our Chairpersons over the period, the late Dan McAuley, Catherine Forde S.C., Catherine Murphy, Maurice Cashell and our current Chairperson, Breege O'Donoghue. We all enjoyed an excellent working relationship which ensured the Labour Relations Commission retained the confidence of the Government and the Social Partners and a very high reputation with the public as a "can do" Agency of the State.



Kieran Mulvey
Chief Executive
June 2015

Chapter 1

Major Developments in 2014



Introduction

Industrial relations in 2014 must be set in the context of an improving economic outlook, significant employment growth, continuing stability in the public sector, modest pay rises in parts of the private sector, a rise in industrial action (largely due to the Junior Cycle / Teachers Union's dispute), continued industrial restructuring, important legal developments and the continued drive to progress workplace relations reforms, introduced by Richard Bruton TD, Minister for Jobs, Enterprise and Innovation.

While the fall-out from the country's financial and economic crisis that commenced six years earlier continued to impact on Irish industrial relations, there was also a gradual recovery that showed signs of gaining momentum by the end of 2014. This meant that the aspirations of workers generally and their representatives shifted from survival mode to one of greater expectations. Pay pressures were mild at year's end, but it was also evident that 2014 would mark the final year of what has become known as "the period of austerity", with 2015 promising to be a bridge toward a more sustainable recovery.

Demand for labour increased in 2014 as the economy grew and unemployment fell as jobs came on stream. Meanwhile, CSO statistics showed that days lost to industrial action, in 2014, totaled 44,015, which was the second highest figure in the last 13 years. This was due to the teachers non-industrial relations dispute.

2014 was also the first full year since 2010 without the hands-on oversight provided by the Troika of EU, European Central Bank and the International Monetary Fund. This opened up more choices for the Government, which went hand-in-hand with rising expectations in the seventh year since the full-blown crisis commenced in 2008.

The Government maintained its policy of "social dialogue", based on bipartite rather than tripartite relations between the lead social partners. Direct contact between Government, Government Departments, and the main social partner bodies, Ibec and ICTU, continued to replace all previous "social partnership" tripartite arrangements.

Public sector stability

In the **public sector**, industrial relations continued to be governed by the 2013-2016 "Haddington Road Agreement" (HRA), which all unions signed up to with the sole exception of the non-ICTU body, the Irish Hospital Consultants Association. The HRA was again marked by stability with the binding disputes resolution procedures working efficiently in most cases and change and reform promised as part of the HRA and the former "Croke Park Agreement" continuing without any major disputes. However, the public service unions did signal that they would launch pay claims in 2015 in advance of the agreement's 2016 expiry date if fiscal targets were ahead of schedule. In the December Budget (i.e. Budget 2015), the Minister for Public Expenditure and Reform indicated that he would be receptive to pay restoration talks if key budgetary and fiscal targets were achieved. The social partners knew by the close of the year, therefore, that 2014 would be the last year of six consecutive so-called "austerity" budgets.

In the **private sector**, local bargaining continued its gradual 2013 trend of low single digit increases in specific sectors, but by the end of 2014, average rises of about 2% had spread beyond areas like pharmaceuticals and health care products, into retailing and even parts of the recession devastated construction sector as it experienced a significant recovery through the year. An analysis of private sector pay settlements in 2014 in Industrial Relations News (IRN) observed that local bargaining activity in the private sector "has become well-established beyond the sectors from which it first emerged in 2011, out of the ashes of the old national pay bargaining structures". ICTU and Ibec maintained their jointly agreed voluntary "Protocols" on the management of wage claims, which informally commit member companies and trade unions to observe agreed disputes procedures, including recourse to the LRC and the Labour Court.

An analysis of wages in Ireland by the ESRI indicated that during the crisis years, wage cuts were largely avoided in the private sector, with other labour cost reduction measures such as cutting staff numbers, hours worked and bonus payments preferred by management. This conclusion tied in with international research, which indicated it is "extremely unusual for firms to engage in wage cutting even in the aftermath of a shock". The ESRI suggested that a feared loss of productivity in private sector firms due to "lower morale, increased monitoring costs and/or higher rates of turnover" may have been an important factor in deterring wage cuts. Evidence produced by the Commission through its own research on "Managing

Human Resources in a Recession" underscored these outcomes (Roche / Teague Study).

Public pay policy and developments

Following the retrenchment in public service pay, numbers and recruitment forced upon successive Governments by the crisis since 2008, it emerged during 2014 that this would be the final year of cost reduction, although a relentless focus on efficiency and reform would be maintained. In March, the Assistant Secretary of the Department of Public Expenditure and Reform, Oonagh Buckley, told the annual Industrial Relations News (IRN) conference in Dublin that the emergency FEMPI (Financial Emergency Measures in the Public Interest) legislation would not continue when the emergency itself was over. It would be "preferable to take decisions about unwinding a complex position in timely fashion". However, she cautioned that some aspects of the legislation may be important to underpin pay policy for the future.

Not long after Ms Buckley made her remarks, public service unions set the scene for lodging possible pay claims in advance of the formal expiry of the HRA in July 2016. The Chairman of the Public Services Committee, Tom Geraghty, wrote to Paul Reid, then head of the "Reform and Delivery" office at the Department of Public Expenditure and Reform, stating: "We feel that it is important to put on record our intentions should we deem that there is an improvement in the public finances in the lifetime of the extension to the Public Service Agreement". In particular, Mr Geraghty said they were concerned that, "by not stating our intentions with clarity, we could be accused of acting in bad faith".

The absolute moratorium on recruitment was ended by the Minister for Public Expenditure and Reform, Brendan Howlin, in his budget speech in October. Apart from additional teachers and Gardaí, he promised that 2015 would also see a resumption of recruitment into the Civil Service. "We need to provide opportunities for people to enter employment in our public services. This marks the end of the moratorium on recruitment but in a targeted and focused way", the Minister said.

Public service staff numbers had been reduced by 10% since 2008 (from 320,000 to 287,000), a reduction that was a critical element in reducing the public sector paybill from €17.4bn at the onset of the recession to €14.1bn in 2014. Estimates for 2015, also published on Budget day, showed that the public service paybill (gross) will increase from €14,519m in 2014 to an estimated €14,813m in 2015 – an increase of 2%. In the Comprehensive Expenditure Report

2015–2017, also published in tandem with the 2015 Budget, Minister Howlin made reference to a number of pressures on expenditure over the next three years, including demographic pressures: “As the population grows and ages, there will be an ongoing need to employ additional people to teach growing numbers of children and to care for an increased number of elderly. A larger number of public servants are approaching retirement and are living for longer periods after they finish employment. That will also cause a natural increase in the overall annual cost of their occupational pensions”, he explained.

Industrial action

CSO statistics showed that days lost to industrial action, in 2014, totaled 44,015, which was the second highest figure in 13 years. Some 31,665 workers were involved in industrial action across 11 disputes. The single largest strike, in terms of days lost, was a day of action by secondary teacher unions, ASTI and TUI, who opposed the shape of Government reform plans for the junior cycle certificate. A dispute included the strike at waste firm, Greyhound Recycling and Recovery, which lasted for 14 weeks. There was also industrial action at Bord na Móna (Boora), the Tyndall Institute, Irish Rail, JJ Rhatigan, Aer Lingus and the National Gallery.

The Greyhound dispute was settled in September, in an agreement that included a pay cut, buyout terms and a redundancy formula for almost 90 workers. The settlement was negotiated between Greyhound, SIPTU and legal representatives, the final round of talks being triggered by High Court order enforcement proceedings. All departing staff were to be paid a sum equivalent to 4 weeks’ salary per year of service. Those coming back to work on new terms and conditions were to be paid a sum equivalent to 30% of the payment agreed as payable to departing staff.

“Disconcerting” Trend

A dispute between Cavan and Monaghan Community Area Services and SIPTU was described by the Labour Court as “disconcerting”. The employer is a community-based, publicly funded, service that chose not to co-operate with the dispute resolution machinery of the State. The case was one of a small number in 2014 that hinted at a trend in the wider public sector. The Cavan and Monaghan case followed on from another Labour Court case involving the Alzheimer’s Society and the IMPACT trade union. In both cases, organisations that received substantial funding from the public purse refused to engage with the Labour Court, and also decided not to engage in collective bargaining.

In the case of the HSE-funded, Alzheimer’s Society, management refused to implement a Labour Court Recommendation on enhanced redundancy for four senior employees. The Society expressed “respect” for the Labour Court, but said it could not attend the Court’s hearing, nor could it implement the finding. The Society also told the union that it does not engage on a “collective” basis, and that it preferred a “one to one” relationship with its workforce.

It has been well documented that this approach to collective bargaining has been common practice in parts of the private sector, however, public service or publicly-funded bodies have generally attended the LRC or the Labour Court, and attempted to abide by the relevant Recommendations.

Meanwhile, at multinational food and drink manufacturer, Unilever, management was advised by the Labour Court to restore a 30-year relationship with SIPTU. The company had told the LRC it intended to deal with a number of workers directly rather than through the union. The issue arose after three field sales staff were informed that they were to be made redundant. SIPTU said there had been no consultation, which it claimed was “totally against the norm as there was always consultation in previous years”. The case under Section 20(1) of the 1969 Industrial Relations Act, under which the union was bound to accept, was not attended by Unilever.

The Court said: *“In such circumstances the Court can see no reason why this relationship should not continue, particularly where there has been a history of stable industrial relations to the benefit of all”*. Management should restore the working relationship with the Union, the Court urged. (LCR20826)

New Workplace Relations Commission (WRC) structure

The new Workplace Relations Bill, to enable the establishment of the Workplace Relations Commission (WRC) and the dissolution of the LRC, EAT, NERA and the Equality Tribunal, was published. Much of the broader aspects of the design of the Workplace Relations Commission had been known for some time. The WRC will provide early resolution, conciliation, advisory, mediation, adjudication, and inspection and enforcement services. All first instance cases will be dealt with by the WRC. A reconfigured Labour Court will deal with all cases on appeal. There will be a “single point of leadership” in the form of a Director General who is to hold the post for a period of five years. S/he can then be reappointed for a second term by the Minister, but is limited to holding the post for a maximum of 10 years.

The Chief Executive of the LRC, Kieran Mulvey, has been appointed as the Workplace Relations Commission's Director General Designate.

WRC case resolution and mediation officers will offer alternatives to settling disputes other than going to a hearing. Participation in these services is voluntary and the parties to these services do not lose their right to have an inspection or hearing. All settled outcomes by these services are confidential to the parties. WRC Adjudicators are to be drawn from the existing Rights Commissioners and Equality Officers. Close to the end of 2014, an external panel of Adjudicators, used on a per diem basis, was set to be established through an open competition and administered by the Public Appointments Service (PAS).

It is important to note that all the existing Labour Relations Commission functions will be migrated into the new Workplace Relations Commission.

The Labour Court, as the single appellate body, will expand its divisions from three to four. It is also adding two deputy chair positions and two ordinary member positions. Chairman and Deputy Chairmen positions will, in the future, be selected through the Public Appointments Service (PAS). Labour Court hearings will be "de novo" and held in public, except for circumstances that entail sensitive or confidential issues.

The EAT is to continue to operate after the WRC has been established, in order to "dispose of all legacy first instance complaints and appeals referred to it prior to the establishment date of the WRC". This is to allow for parties who "have a legitimate expectation of having the case disposed of before a tripartite Tribunal, sitting in public and operating with the degree of procedural formality currently applied by the EAT". It is expected that these will be completed within a one to two year time span.

Compliance and inspection functions (currently under NERA) will be provided by WRC Inspectors. There will be a range of compliance measures, including compliance notices and fixed charge penalty notices. Failure to comply may result in the Circuit Court issuing a binding order; failure to comply with this is, in turn, a prosecutable offence. There is also a compliance initiative to enable cooperation between States in respect of compliance, a measure related to past problems when seeking compliance by contractors based in Northern Ireland but operating in the Republic.

LRC Chief Executive and Workplace Relations Commission (WRC) Director General Designate, Kieran Mulvey, described the changes as "revolutionary" and part of an "exciting change period" in Irish industrial relations. Labour Court Chairman, Kevin Duffy, commented that the dispute resolution system will be "profoundly impacted" following the enactment of the Workplace Relations Bill. "Many challenges will be presented and the overall architecture will be very different. I hope that we are up to it and that we can continue to deliver the level of service that has been there since the Court's inception", said Mr Duffy.

Meanwhile, the Government announced the appointment of a new "super junior" Minister of Business and Enterprise, **Ged Nash**, to handle labour affairs issues, such as the enactment of collective bargaining legislation and the establishment of a Low Pay Commission. The business end of the new Minister's brief was to be primarily concerned with supporting small businesses, rather than foreign direct investment. This included access to credit for SMEs and investment, a move designed to boost the domestic economy, which was not growing at the same pace as the exporting sector.

Collective bargaining legislation

The Government announced proposals on employees' right to engage in collective bargaining in order meet a specific commitment in the joint Programme for Government. Minister for Jobs, Enterprise, and Innovation, Richard Bruton, said the Industrial Relations (Amendment) Act 2001 would legislate "for an improved and modernised industrial relations framework that will provide more clarity for employers and more effectiveness for workers". The reform is seen as part of Minister Bruton's wider modernisation agenda in the enterprise area, which he said "has seen a significant overhaul of policy, agencies and legislation over the last three years". Minister Bruton said that the legislation will provide "a clear and balanced mechanism by which the fairness of the employment conditions of workers in their totality can be assessed where collective bargaining does not take place. It will provide clarity and certainty for employers in managing their workplaces over the years ahead".

The proposals emerged from a lengthy consultation process involving extensive engagement with stakeholders. Included in the main provisions were: a definition of what constitutes "collective bargaining"; provisions to help the Labour Court identify if internal bargaining bodies are genuinely independent; bringing clarity to the requirements to be met by a trade union advancing a claim; setting out policies and principles

for the Labour Court to follow; provisions to ensure remuneration, terms and conditions are looked at in their totality; and enhanced protection for workers who may feel that they are being victimised for exercising their rights.

Significant Agreements

Bord Gais: An LRC assisted agreement in regard to the privatisation of the energy division of Bord Gais included the liquidation of the employee share scheme, ex-gratia compensation payments, “mirror” pension schemes and guarantees on transfer of undertakings. All other collective agreements were to be preserved on the transfer of ownership, including a clause stipulating that compulsory redundancy will not be a feature of any future change. A new defined benefit (DB) pension scheme would replicate “in all material respects” the (then) existing Bord Gais DB pension scheme. A provision allowed for the replication of the pension each individual would have had if they had remained in the Bord Gais scheme until retirement, death or leaving service. Without it, the pension benefits of those transferring to the new companies would have lost the difference between their final salary in the new company and their salary at the time of the sale to Bord Gais, in respect of their past service within Bord Gais. All the provisions of the transfer of undertakings regulations applied to the staff transferring to new owners, but specific mention had to be made of pensions, because pensions do not automatically transfer under these regulations.

IBRC: An agreement for employees at the IBRC who were facing compulsory redundancy was brokered directly by LRC Chief Executive, Kieran Mulvey, who was asked to mediate a settlement by the Government and the Irish Congress of Trade Unions after the Irish Bank Officials Association (IBOA) objected that staff who might lose their jobs could end up with statutory redundancy only. They were seeking the standard voluntary redundancy package in the public service. The agreement, made with the approval of the liquidator, meant a termination payment for all staff earning less than €120,000 a year based on their length of service with IBRC or its predecessors, Irish Nationwide Building Society and Anglo Irish Bank.

Liebherr Container Cranes: At the long established Liebherr plant in Killarney, a difficult pay dispute was resolved based on amended terms drawn up by the LRC’s Head of Conciliation, Kevin Foley. The dispute was of particular sensitivity given the importance of the plant to employment locally. The settlement for SIPTU members involved a 2.5% pay increase, backdated to May 2, 2012, as was provided for in a Labour Court Recommendation of December 2013. The Minister for

Jobs, Enterprise and Innovation, Richard Bruton, was vocal in his criticism of the plant’s “poor industrial relations record in recent times”, but he rejected the suggestion of direct Government involvement, fearing it would “politicise” the dispute.

Bausch + Lomb: In Waterford, almost 900 jobs were saved at Bausch + Lomb with the assistance of the LRC’s Kevin Foley and Anna Perry, following a decision by Canadian-based Valeant, the new owners of the long established lens manufacturer, to seek significant cost reductions, including cuts in basic pay. The agreement resulted in management securing most of its €20 million cost reduction targets, while the unions could point to significant lump sum compensation, the potential for gainsharing payments, and continuing support for the defined benefit (DB) pension scheme. The acceptance of the deal by the 800 members of SIPTU and about 90 members of TEEU assured the immediate future of the plant. Just four months later, the company honoured its commitment to invest over €40m into the facility. While the cost savings were radical, the union agreed that the new owners were open to receiving ideas from their side and had no ideological antipathy towards trade unions.

Pfizer Ringaskiddy: At the Cork-based plant, management and unions concluded a “transformation” agreement that led to the saving of about 100 jobs that had been earmarked to go two years earlier. A revised business plan, which included major new union agreements, an organisational redesign and a new R&D centre, meant that the company was able to announce that about 100 of the 130 planned redundancies would not proceed. The main problem facing the site originated in 2012, with the end of the so-called “blockbuster drug” period. However, a small number of very high-volume patented drugs provided financial security after these patents ran out.

Waterford Crystal: An innovative settlement for 1,774 ex-Waterford Crystal workers was brokered by LRC Chief Executive, Kieran Mulvey, ending a six-year legal saga, with former employees averaging over 80% of their entitlement. The agreement enabled the Government to cut costs, which might have been greater had a lengthy legal battle ensued. The settlement averted a possible further referral to the European Court of Justice, even though the case – first brought in 2010 – has been to the European Court already. The overall settlement cost of €178 million was made up of €41 million in lump sums, with the remainder in pension payments over the next few decades. Some level of payout to the workers from the Government was inevitable after the European Court of Justice ruling in April 2013, which said the

Irish Government had not properly transposed the EU Insolvency Directive, in that it had not provided protection for double insolvency situations. A previous European Court case taken by members of a UK pension fund (Robins) had found that the UK's then pension protection scheme, which provided for 49% protection, was too low. On foot of the decision, the UK established a 90% protection scheme, which has not been legally challenged.

Bank of Ireland: A total pay rise of 3.75%, as well as a lump sum payment equivalent to 5% of annual salary, was recommended and accepted by up to 12,000 Bank of Ireland employees to help facilitate the introduction of a new "Career and Reward Framework". The General Secretary of the bank officials union, IBOA, said that the wage rise at Bank of Ireland – the first for six years – should set a precedent for other financial institutions "which are now returning to profitability and facing similar issues in terms of career and reward structures for their employees following the extensive changes that have taken place in the sector in the wake of the banking crisis".

Irish Water: The service level agreement (SLA) for the provision of water services by local authority employees for Irish Water was completed, with local authorities entering into 12-year agreements. Irish Water would be also subject to a pay freeze until 2016. The pay system at Irish Water is based on a revised Bord Gais pay model, which removed incremental scales, a traditional model regarded as less flexible than performance-related and market-linked pay. However, this innovation attracted hostile media criticism, linking it to the 'bonus culture' that came in for adverse comment during the crisis. Regarding staffing, these were to be set down within each SLA, determined according to each Council's annual service plans (ASPs). Any subsequent changes to the headcount of local authority workers operating services for Irish Water would have to accord with national-level Public Service Agreements.

The company and its establishment, its payments systems, staffing and proposed charges came in for sustained criticism in the media, in the Oireachtas and, ultimately, in street protest, culminating in the Government making significant changes in respect of household charges, while leaving the industrial relations agreements intact.

Other Significant IR and Employment Law Developments

Pension trustee's case: The High Court rejected a claim by pension scheme members in Element Six, the multinational firm, that pension trustees should have

sought more money from the company regarding a shortfall in the defined benefit scheme, which is being closed off. Mr Justice Charleton said the trustees acted in the interests of the pension scheme members, without conflict of interest and in honesty and good faith, having made a fair appraisal of the situation as they saw it and after all reasonable enquiries. However, the Judge said that at a local level, "the attitude adopted by the company in Shannon by the two relevant male executives was one lacking in any emotional intelligence and was completely geared towards monetary success at the expense of any humanity in approach."

Justice Charleton said pension scheme members "are not to be divorced from the reality of their lives as living breathing people", whose needs included "work and stability in both employment and residence". The 173 active members may have secured more money if the company had been bluffing in its threats to close down the scheme, "but if it was not bluffing, they would have lost employment and the chance of making future pension contributions", he observed.

Agency - right to equal pay: The fundamental right to equal treatment under the Temporary Agency Work Directive cannot be compromised due to the cost associated with providing equal pay for agency workers, the Labour Court determined. Agency workers employed by the Elizabeth Stafford agency sought equal pay to that of directly-hired employees at Cronin Movers Ltd. The disparity in pay ranged from 4% to 18%, depending on the grade. The Court ordered the hourly rates for the 14 agency workers involved be increased to come into line with the rates that apply generally at the hirer company. In its decision, the Court rejected the respondent's claim of a "notional" rate, as well as the cost implication argument put forward of applying equal pay. This was one of two such cases that arose in 2014, making a total of at least six cases appealed to the Court under the Protection of Employees (Temporary Agency Work) Act, 2012, several of which involved substantial compensation awards due to the retrospective application of the Act.

Contract law battle: Official confirmation that a large group of consultants at St Vincent's public hospital were also working in the adjacent private hospital, highlighted some of the difficult issues that Government and the Health Service Executive (HSE) continued to face in the area of public service pay policy. The Vincent's Hospital Group denied it had been flouting the law, while the HSE insisted that that St Vincent's University Hospital (the public hospital) is supporting the activities of the Private Hospital "by use

of a cohort of specialist staff employed by the public health service". The outcome of any court case could have implications for other hospitals where similar practices might be in operation. Proponents of the Vincent's Group's argued that, unlike competitor locations, it is a "not for profit" facility. This perspective was strongly refuted by HSE director general, Tony O'Brien.

Re-Establishment of JLCs: An important step was taken in re-establishing sectoral minimum wages for certain low-paid sectors, when establishment orders for new Joint Labour Committees (JLCs) were signed in January. The six sectors involved are hospitality, catering, retail, contract cleaning, security and agriculture. While the signing of establishment orders did not of itself set minimum pay and conditions, it put in place the sectoral bodies that will have the power to agree those minimum standards. These new JLCs are to be more constrained in their powers to set minimum pay and conditions than the old JLCs, which operated before their minimum pay orders were struck out by the High Court in July 2011.

They will have to take into account a range of economic factors and while they can still make Employment Regulation Orders (EROs) that set minimum pay and conditions, these EROs are subject to approval by the Minister for Jobs, Enterprise and Innovation and must be laid before both Houses of the Oireachtas before becoming law. Given the opposition by employers in some sectors to the JLC/ERO system – particularly in hotels – it may be challenging for these new JLCs to agree new EROs that can be given legal force.

Whistleblowing law: New whistleblowing legislation, The Protected Disclosures Act 2014, was commenced in July 2014. At its launch, the Minister for Public Expenditure and Reform, Brendan Howlin, described it as standing "shoulder to shoulder with the best-in-class internationally". The new legislation meant that the legislation will be in place across all sectors of employment. Prior to that it had evolved on a sectoral basis. Broadly speaking, the legislation was designed as a first step towards a more user-friendly regime, to be achieved by encouraging workers to report to their employer in the first instance, while at the same time requiring the employer to facilitate their own employees in this regard.

The Labour Relations Commission is working with both Ibec and ICTU to agree a "Code of Practice" on this legislation.

Major Award to Special Needs Assistant: The High Court has awarded just over €255,000 in damages to a Special Needs Assistant (SNA), who developed serious psychiatric problems after she was disciplined and later suspended by her school principal. The Board of Management at St Anne's School in the Curragh, Kildare, was held liable after Mr Justice Iarlaith O'Neill concluded that the plaintiff – a member of IMPACT – "*suffered a definite and identifiable psychiatric injury from which she still continues to suffer significantly and will continue to do so for some time in the future*". According to the Judge, "*the plaintiff has demonstrated to my satisfaction that the inappropriate behaviour of the defendants was not merely an isolated incident, but was persistent over a period of in excess of a year. There can be no doubt that this persistent, inappropriate behaviour of the defendants wholly undermined the plaintiff's dignity at work.*"

It seemed to the Judge that the plaintiff, through her solicitor, did her utmost to pursue her grievance through the internal procedures of the defendants, "but the defendants wholly failed to respond to her in that context and thus, she was left with no option but to pursue these proceedings." He was critical of the Board's rejection of the plaintiff's appeal, in May 2010, "without any meaningful consideration of the merits of the case" and of its subsequent failure to consider the matter the following autumn, when given a fresh opportunity on foot of correspondence from the plaintiff's solicitor.

Sickness benefit changes: Changes to rules on State sickness benefits in the 2014 budget, meant that workers can only claim State illness benefits from the Government after six days of absence. Previously they could claim after three days off sick. Ibec claimed the changes "may place some additional burden on employers with existing sick pay schemes". The Government has pointed to expected savings of €22 million for the Exchequer as a result of the changes. Under the new rules, an employee seeking State illness benefit must apply within seven days of becoming ill. No payment is made for the first six days of illness, which are known as "waiting days". It is specifically this period that was extended from three to six days, with the new rules coming in to force on 6 January 2014.

Academic studies

A new study showed that the American model of HRM (Human Resource Management) is not as dominant as has been assumed, with many Irish-owned multinationals demonstrating considerable similarity with their UK counterparts. Co-authors Dr. Anthony

McDonnell, Dr. Jonathan Lavelle and Prof. Patrick Gunnigle of the University of Limerick explained that HR is sometimes seen as a form of “Americanisation” in management practice, with particular accent on practices that positively impact on organisational performance. The findings cast doubt on the contention that US-styled, global best HR practices, are the norm in multinational companies (MNCs) in Ireland. It had been long argued that American foreign direct investment (FDI) firms had acted as a training ground for Irish managers. The authors noted a lack of variation between Irish-owned MNCs and UK firms, which they say “may be reflective of the incredibly strong historical and economic relationship between the UK and Ireland”. They observed, that at a historical level, “it can be argued as unsurprising because many features of the Irish business system were modelled on British traditions. However, there has been little research to suggest a particularly British approach to HRM exists”.

Another University of Limerick based study suggested that one of the downsides of the global financial crisis on the HRM function could be a substantial reduction in face-to-face interaction between employees and management, a development that poses a challenge to the viability of the so-called “soft” HRM model and a possible turn toward “harder” approaches. Multinationals in Ireland, it said, have been to the fore in engaging in complex restructuring programmes in recent years, but there is “extensive evidence of the slimming down of the HR function and increases in the shared service modes of HR delivery”. (“Weathering the storm? Multinational companies and human resource management through the global financial crisis” in *International Journal of Manpower*. Patrick Gunnigle, Jonathan Lavelle and Sinead Monaghan).

In another study funded by the Labour Relations Commission, Professor Bill Roche (UCD) and Paul Teague (Queens University) argued that employers in general had not used the “Great Recession” to launch a “frontal assault” on union recognition or collective bargaining. Moreover, while Governments had withdrawn support from social partnership, they never made a case for rolling back on collective bargaining or union organisation. Roche and Teague suggest that what is known as “distributive concession bargaining” – where firms may, for example, seek changes in terms and conditions in return for pledges on job security – predominated since the onset of the “Great Recession” in 2008. Emerging against the backdrop of a very harsh commercial environment, this type of “give back bargaining” tended to dominate over other forms of bargaining, such as “integrative” and “ultra” bargaining, both of which seem contingent on the level of union influence, they found.

A further study involving the above authors “Conflict Management in Organisations” was published by the Oxford University Press.

An ongoing study by UCD economist Frank Walsh into trade union membership and density levels showed that despite a brief recession-induced rise in trade union membership, membership levels fell from 33% in 2011 to just 28% in 2014. Even more worrying for the trade union movement, Mr Walsh found that there has also been a “substantial fall” in union density in public administration, with the percentage of unionised employees in this category falling from 81% to 73% between 2011 and 2014. Meanwhile, for private sector workers the decline in density since 2003 has been smooth and continuous, he found.

A survey by Richard Boyle, Head of Research, IPA, showed that contrary to popular perception, quite a high proportion of Irish senior public executives have some private sector experience. More generally, this group expressed broadly positive views on how public administration has developed during the recent crisis, although many feel that reforms have been “top down, focused on cost cutting, crisis driven, and partial”. The overwhelming majority of Irish senior public servants also believe that public sector downsizing - and focusing on outcomes and results - have been very important in their policy areas. The survey showed that the greatest improvement in performance was in cost and efficiency, service quality, innovation, and external transparency and openness. The dimensions where respondents felt that there has been the greatest deterioration related to citizen trust in Government, attractiveness of the public sector as an employer, and staff motivation.

Social dialogue, public service talks:

By the close of 2014 the scene was set for bilateral direct talks between the Government and the public service unions under the broad heading of “pay restoration”, at a date to be decided.

LRC chief executive, Kieran Mulvey, advocated a form of “sensible” social partnership, which could include a “limited agenda on specific issues” including pay, pensions, employment law and institutional change. Speaking at an industrial relations conference in November, Mr Mulvey said a return to this form of social partnership would be a response by those at the centre to those on the “ultra right and the ultra left who were attempting to lead the agenda and which would lead only to conflicted and confrontational industrial relations”.

However, the Government was expected to take a very cautious approach to anything that might resemble the former social partnership construct. In early 2014, the Minister for Jobs, Enterprise and Innovation, Richard Bruton, had referred to the former social partnership model as a “phoney consensus”, which had been dominated by “producer groups”. He argued that it had stalled reform across the economy in the period leading up to the crisis.

Neither Ibec nor ICTU advocated a return to social partnership per se, but both organisations made positive references to tripartite constructs, such as the now defunct Employer Labour Conference or the disbanded National Implementation Body (NIB). Since the demise of social partnership six years ago, Ibec and ICTU have sought a forum where engagement could take place on issues of common concern. The Government did not indicate that it was preparing to move in that direction, rather it signalled that any initiatives in the social dialogue arena would have to acknowledge the primacy of Parliament. The Labour Relations Commission for its part felt that whereas assistance in some national disputes was welcome, the Commission, like the Labour Court, was an independent statutory body.

Chapter 2

Labour Relations Commission Services



Outturn of the Services in 2014

- **Corporate Services and Board**
- **Conciliation Service**
- **Advisory Service**
- **Rights Commissioner Service**

Summary of Costs of Providing the Services

The following table provides a summarised breakdown of the unaudited expenditure per Division during 2014. The figures are reflective of actual spend and do not incorporate adjustments, such as depreciation, that might be applicable and subsequently agreed in the course of formal audit and final presentation of the accounts for the period. The process of finalising the audit of the Commission's accounts for 2014 is being completed at this time of writing. The audited accounts will be published when the Comptroller and Auditor General has completed the annual review and issued the relevant certification.

Breakdown of Summary Costs across Divisions 2014

	Administration	Board	Conciliation Service	Advisory Service	Rights Commissioner Service	Total
Salaries	€300,075	€0	€1,292,633	€207,745	€507,820	€2,308,273
Fees	€0	€68,400	€0	€0	€862,681	€931,081
Travel & Subsistence	€10,550	€0	€75,140	€11,500	€123,760	€220,950
Rental of Meeting Rooms	€0	€0	€0	€0	€76,106	€76,106
Stationery, Supplies, Communications	€17,248	€0	€74,296	€11,940	€29,187	€132,671
Utilities, Operations and Maintenance	€18,920	€0	€81,500	€13,100	€32,017	€145,537
Consultancy and Professional Fees	€27,491	€0	€0	€0	€72,906	€100,397
Printing, Training	€8,298	€0	€3,452	€555	€1,356	€13,661
Total	€382,582	€68,400	€1,527,021	€244,840	€1,705,833	€3,928,676
% of Total (rounded figures)	10%	2%	39%	6%	43%	100%

Advisory Service Division

Mission Statement

“ To work closely with employers, trade unions and employees to promote, develop and implement best industrial relations policies, practices and procedures, in order to enhance the economic well-being of the enterprise and assist in employment creation and retention.”

Advisory Service Overview

The Advisory Service is focussed with working with employers, employees and trade unions to develop positive industrial relations practices, structures and procedures. Its primary objective is to help build and maintain positive working relationships and effective prevention and dispute resolution mechanisms in the workplace. The Service can advise and assist on any aspect of industrial relations in Irish workplaces. The Service operates from the premise that all disputes, be they collective or individual, are best resolved within the workplace, and the assistance it offers is very much focussed around enhancing the capacity of organisations and their employees to manage their industrial relations “in house” and effectively.

Services Delivery

While assistance is customised to the particular needs of each workplace, the type of assistance offered can be categorised as follows:

Industrial Relations Reviews

Reviews of industrial relations involve an in-depth assessment of industrial relations in workplaces with a view to identifying problem areas, making recommendations around improved practices and procedures, and working with all concerned to

implement improvements. A typical review could involve a number of information gathering processes including individual interviews/questionnaires, email surveys and focus groups. The key object in a typical review is to accurately identify problem areas and to work with all concerned to develop effective remedies.

Joint Working Parties

A Joint Working Party is a joint management/employee process facilitated by the Service to implement recommendations made arising from a review of industrial relations. The process is designed to give all concerned direct involvement in developing mutually acceptable solutions to their difficulties.

Facilitation

The Service provides a facilitation service focussed around a variety of workplace issues including the implementation of work practice change and the development of improved workplace procedures. The focus of the facilitation service is to assist the parties to reach mutually acceptable solutions.

Training

The delivery of training on a variety of aspects of the employment relationship is a key element of the Service’s remit to enhance industrial relations capacity

building in Irish workplaces by delivering proactive dispute preventative programmes. The Service has developed and continues to deliver a variety of programmes around workplace procedures – grievance, disciplinary and dignity, communications and consultation, and dealing with workplace conflict generally. Programmes are tailored to suit the requirements of individual organisations, both large and small, in the private and public sectors.

The focus of the training programmes provided by the Commission, which is delivered on site by our team of experienced practitioners, from both Advisory and Conciliation Divisions, is to enhance the capability of workplaces and their employees to develop and operate effective industrial relations processes and procedures.

Voluntary Dispute Resolution

The Service facilitates the procedure prescribed in the Enhanced Code of Practice on Voluntary Dispute Resolution (SI 76 of 2004) which provides a framework for the processing of disputes arising in situations where collective bargaining is not in place. Following an earlier submission to the Minister on the review of the 2001 – 2004 Industrial Relations Acts, the Advisory Service is awaiting the passing of the revised legislation to determine how any proposed changes will impact on the role of the Service and on the Enhanced Code of Practice .

Workplace Mediation / Equality Mediation

Workplace Mediation and Equality Mediation are delivered by a joint Advisory and Conciliation Service team. Overview and details are outlined under Conciliation Service activity.

Codes of Practice

Work is nearing completion on a Code of Practice on Protected Disclosures (Whistleblowing) the purpose of which will be to offer guidance at workplace level on the practical implementation of the legislation and setting out best principles in that regard.

The Commission has been requested by the Minister to prepare a draft Code of Practice on the provision of compensation for Sunday working. As part of a consultation process, a number of bilateral meetings have taken place with ICTU and Ibec. The Department is being kept informed of developments

Research

The Service is responsible for the Commission's remit to conduct research into matters relevant to industrial relations and to review and monitor relevant developments in industrial relations generally.

In this regard, a research project on Innovations in Conflict Management in Organisations is being finalised. The Commission also provided funding for a mediation research project at NUIG.

Research Programme on Innovations in Conflict Management

The Commission is supporting a research project that aims to produce 10 case studies of innovative workplace conflict management practice inside organisations in Ireland. The case studies will highlight why organisations (union and non-union and located in the private and public sectors) introduce workplace conflict innovations; how new practices are embedded inside organisations, and the outcomes with which they are associated. Work on the project was completed in 2014 and will be published in 2015.

Mediation Project

The Commission also supported a research project at NUIG.

2014 Activity Breakdown/Resources

Project Type	Project Numbers
SI 76	2
Facilitation/Joint Working Parties	30
IR reviews	17
Training	22
Codes of Practice	2

Note: the project number figure relates to the actual projects and not to the number of meetings.

Staffing

Director:	Freda Nolan
Senior Advisory Officer:	Seamus Doherty
Advisory Officer:	Alyson Gavin

Conciliation, Mediation and Early Resolution Services Division

Mission Statement

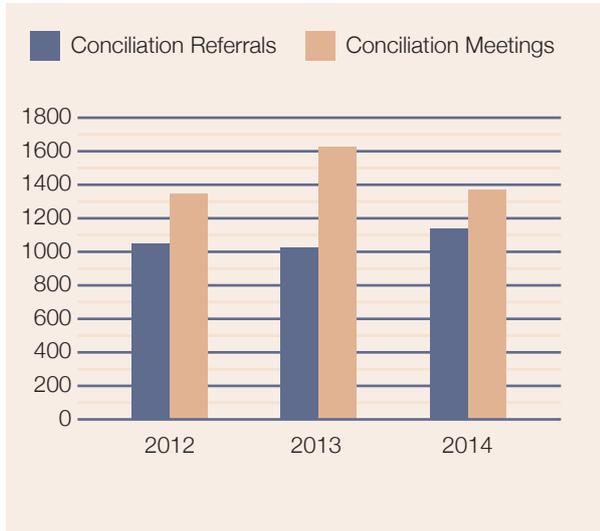
“ The Division will provide an impartial, timely and effective suite of Conciliation, Mediation and Facilitation Services operating to a continually high standard in both the public and private sectors”

The Division focused in 2014 on providing a timely delivery of a flexible, responsive service designed to meet the needs of parties in dispute or with issues needing to be resolved in Irish workplaces. The primary value and function of the Service is that it is available to provide a high quality resource at the appropriate moment in any given dispute situation. The delivery of that high quality service was the challenge met in 2014 by the Division's team of ten Conciliator/Mediators, five Case Resolution Officers and seven support staff.

Activity Summary 2014

Category	Total to end of December 2013	Total to end of December 2014
Conciliation		
Referrals	1,029	1,148
Conferences	1,646	1,370
Other Meetings (Facilitation, Oversight, JLCs, Chair of Negotiating Fora, Equality Mediation)	225	437
Total number of meetings	1,871	1,807
Labour Court Referrals	159	173
Workplace Mediation		
Referrals	57	48
Meetings (inc. Advisory Staff)	136	78

Number of Cases referred to the Conciliation Service 2012-2014



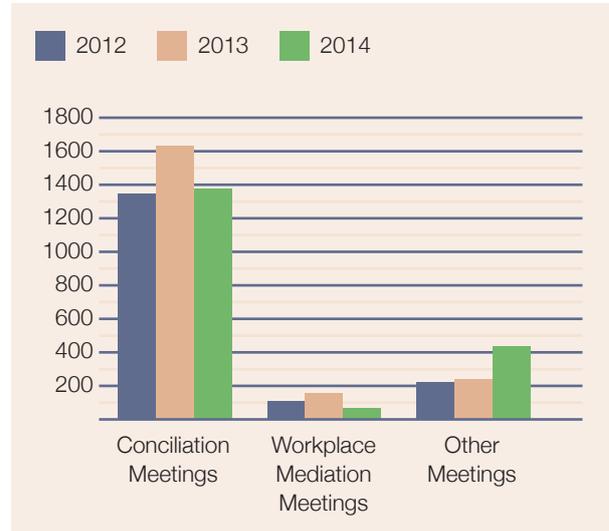
Conciliation Service Activity

The Conciliation Service achieved a settlement rate at conciliation of 85% of all disputes referred to it (1148), which is consistent with the success rates it has traditionally achieved. A total of 173 unresolved disputes were referred to the Labour Court. In many of these referrals to the Court significant progress had been made at conciliation in terms of narrowing the differences between the parties and refining the issues requiring a Labour Court recommendation.

A considerable amount of work of the Service in 2014 related to the chairing of “Oversight Bodies” set up to assist with issues arising in relation to the implementation of the “Haddington Road Agreement” in the public sector and in its various sub-sectors including for example Health, Education and Local Government. The Service also assisted in dispute resolution in a very broad spectrum of industries throughout the economy and on a broad array of issues relating to pay and allowances, hours of work, manning/staffing levels, restructuring, pensions, and conditions of employment generally. Some 20% of disputes referred to the Service in 2014 related to pay claims, more than any other category of referral, reflecting an upturn in local pay bargaining in a reviving economy. Some of the employments in which the Commission assisted in resolving major disputes included the ESB, Bausch and Lomb, Greyhound Waste, Irish Rail, Leibherr Crane, Shannon Aerospace, Tyndall Institute, South Dublin County Council, Roadstonewood, Beaumont Hospital and Bord na Móna

The number of referrals to Conciliation in 2014 was 1,148. This was an increase on 1,029 referrals

Number of Meetings facilitated by the Conciliation Service 2011-2013



received in 2013, possibly a further reflection of a “turnaround” in the economy. The number of actual meetings convened by the Service in 2013 was 1,807 - similar to the figure of 1,871 for 2013. The proportion of conferences to referrals can vary from year to year depending on such factors as the complexity and difficulty of cases and the high level conciliation input required in particular case types such as public sector negotiations and rationalisation/cost reduction disputes.

Chairing of Negotiating Fora

As well as chairing meetings of the Oversight Groups established under the Haddington Road Agreement, the Division also provides Chairpersons to a range of negotiating fora. During 2014 the Division chaired the Health Service National Joint Council, the Teachers Conciliation Council, the Local Authority National Council, the Prison Service Conciliation and Monitoring Forum, the Institutes of Technology Negotiating Forum and the Construction, Electrical Contracting, Printing and State Industrial Joint Industrial Councils. During 2014 officers of the Conciliation Service were appointed by the Minister for Jobs, Enterprise and Innovation to chair newly established Joint Labour Committees in a range of industries such as security, contract cleaning, hotels and catering and hairdressing. All such Committees are now chaired by officers of the Conciliation Service.

Construction Industry Disputes Tribunal

The parties to the construction industry’s Registered Employment Agreement have in place a disputes tribunal – the Construction Industry Disputes Tribunal (CIDT) – to cater for the particular needs of the sector. The Tribunal is chaired by officers of Conciliation

Services Division. For the first time since the establishment of the Tribunal, there were no referrals to it during the year.

The Workplace Mediation Service

The Workplace Mediation Service provides a tailored response to particular types of issues and disputes emerging in workplaces. It is particularly suitable to address disputes involving individual or small groups who are experiencing interpersonal differences, conflicts and difficulties working together. This service is delivered by a team of mediators drawn from the Conciliation and Advisory Services and is managed by the Conciliation Service. During 2014 a total of 48 referrals were received, compared to 57 referrals in 2013. A total of 78 mediation meetings were held in 2014. There was a mixture of issues mainly concerning individual employees, with a small number involving small groups of employees. Typical issues at Workplace Mediation include issues in interpersonal workplace relationships, and grievance and disciplinary procedures generally.

Equality Mediation

In 2014 officers of the Conciliation Service were appointed as "Equality Mediation Officers" of the Equality Tribunal so as to enable them act as mediators in cases of alleged unlawful discrimination under the Employment Equality Acts. Officers began to operate as "Equality Mediation Officers" from August 2014 onwards.

Education and Training Boards (ETB) Appeals Procedures - Stage 3 Appeals under Bullying, Harassment, Sexual Harassment Codes

An officer of the Conciliation Service acts as agreed Independent Appeal Officer under the provisions of the Codes of Practice for Dealing with Complaints of Bullying, Harassment, Sexual Harassment in ETB Workplaces. In 2014 three appeals were made to the Appeal Officer under the Code.

Education and Training Boards (ETB) Appeals Procedures – Disciplinary Stage 4 Appeals

An officer of the Conciliation Service acts as agreed Independent Appeal Officer for Stage 4 appeals under the nationally agreed disciplinary procedures for the ETB sector. In 2014 one appeal was heard.

Education and Training Board (ETB) Appeals Procedures – Grievance Stage 4 Appeals

An officer of the Conciliation Service acts as agreed Independent Appeal Officer for Stage 4 grievances for staff not covered under the Industrial Relations Act 1990. One appeal was heard in 2014.

Association of Community and Comprehensive Schools (ACCS) - Grievance Stage 4 Appeals

An officer of the Conciliation Service acts as agreed Independent Appeal Officer for Stage 4 grievances for staff in the ACCS sector not covered by the Industrial Relations Act 1990. In 2014 one appeal was heard.

Training inputs provided by the Conciliation Service 2014

Responsibility for the co-ordination of the Commission's support for stakeholders through the delivery of tailored training programmes rests with the Advisory, Research and Information Division. Officers of the Conciliation Service continued to participate in this work during 2014. In addition, the Conciliation Services Division continued to respond to requests and opportunities to promote the work of the Division by providing speakers and facilitators to client training programmes with a focus on the process of conciliation and its value as a dispute resolution tool. Officers of the Division presented at, and in some cases developed and delivered training at, a range of twenty-two training courses organised for newly appointed shop stewards, senior activists and organisers, and full-time officials at both IMPACT and MANDATE trades unions. Officers also made presentations at Smurfit Business School, IPA accredited training courses, and to International Business Students at DCU. In addition, inputs were provided at training programmes for the following organisations: Kerry ETB, Eircom, Lionbridge, PNA, Loreto College St Stephen's Green, the Quinn Group, Dublin Airport Authority, Ibec Cork HR Regional Seminar, the Porterhouse Group, Symantec and Google/CPL.

Early Resolution Service

The Early Resolution Service (ERS) is a mediation service operated by the Labour Relations Commission. Through the ERS, mediation is offered in cases which have been referred to the Employment Appeals Tribunal and the Rights Commissioner Service seeking an adjudication/recommendation. The Service has been operating on an ad-hoc basis since mid-2012 with the intention that it will be put on a statutory basis in the context of the establishment of a new "Workplace Relations Commission" as part of a rationalisation of the State's employment dispute resolution bodies. The aim of the service is to provide parties to disputes with an early opportunity of resolving their issues with the help of mediation primarily delivered over the telephone by a "Case Resolution Officer" (CRO). The intention is to create the opportunity to avoid the potential costs of a formal hearing and adjudication decision by a Rights Commissioner or the Employment Appeals Tribunal (EAT), both to the parties themselves and to the State.

Service Format

The service is delivered by five Case Resolution Officers. An initial case selection process takes place in the Labour Relations Commission with a view to identifying those cases which, ostensibly, are amenable to resolution through mediation. Where for example an employer has entered liquidation, the case is screened out. When a case has been selected for offering of ERS, a CRO contacts the parties to see if they are both willing to avail of it. If either or both are unwilling to participate, the case is referred onwards without delay for a formal hearing by a Rights Commissioner or Employment Appeals Tribunal in the normal way. In cases where both parties agree to participate in the ERS process, a period of up to six weeks is allowed for exploration of a resolution by way of mediation conducted by a Case Resolution Officer. In cases where no settlement is reached, or the complaint is not withdrawn, the case is referred onwards for a formal adjudication hearing by a Rights Commissioner or the EAT.

Service delivery in 2014

During the year the Labour Relations Commission focused on further developing this relatively new service and in providing supports to its Case Resolution Officers by colleague officers within the organisation. Support initiatives included attendance at conciliation conferences, use of an internal mentoring system, and access to Rights Commissioners as part of an ongoing structured dialogue focused on knowledge sharing.

In 2014 the Service offered mediation in 1,657 cases, covering some 2,303 individual complaints in a variety of single and multiple-issue case referrals. Both parties agreed to participate in mediation in 982 of these cases. This represented a 59% take-up rate, an increase on the 56.5% take-up rate in 2013. A total of 435 of these cases were fully resolved and therefore did not require to be forwarded for a hearing by a Rights Commissioner or the Employment Appeals Tribunal – a 44% success rate. This compares favourably to a 32% resolution rate achieved during the 2012 Pilot and a 36% rate achieved in 2013.

Future success of Service

The ambition for the Service is to further increase the resolution rate in mediated cases. The future success of the Service will however depend in large part on a significant cultural shift in how parties have engaged services of the State in relation to the resolution of employment rights disputes in particular. Parties have in the past commonly relied on opportunities for settlement which might arise on the day of a Rights Commissioner or Employment Appeals Tribunal

hearing. In a new environment in which the State will be actively offering mediation, and doing so close to when adjudication is due to take place, the objective will be to secure the co-operation of parties in availing of and maximising the benefits to themselves which the Early Resolution Service offers.

Rights Commissioner Service Division

Overview

The Rights Commissioner Service was set up in 1970 to resolve disputes involving individuals and small groups of workers on day-to-day industrial relations issues. Over the past forty years the focus has shifted to complaints being brought by more and more workers under a substantial and growing volume of labour law. The Commissioners are competent and experienced men and women drawn from trade union and business circles, with considerable knowledge of labour law and with experience of dispute resolution in the workplace. The approach of the Service, now as in 1970, is to seek to address problems in ways that are speedy, non-legalistic and solution-oriented.

Referrals

There was an unprecedented level of Referrals to the Service in 2010 when 15,671 were received (9,800 referrals were received in 2014). This volume of referrals presented a major challenge, particularly, from data entry to the scheduling of meetings and to recommendation stage.

While the number of referrals dropped to 9,800 in 2014, there remain challenges in scheduling cases, etc. At the end of 2014 an offer of a first Hearing on foot of a referral was generally made in the region of 8-12 weeks, inclusive of the statutory 3-week "holding" provided for in legislation.

Single Scheduling Unit

In anticipation of the streamlining of the various Employment Rights Bodies, a single scheduling unit to handle referrals to the Rights Commissioner Service and the Equality Tribunal was established in mid-2014. The majority of the administrative staff of the Rights Commissioner Service transferred to the new Scheduling Unit. While work progressed in dealing with the volume of the caseload on hand, the staff of the Unit was also required to participate in the preparatory work relating to the design and commissioning of an ICT solution to replace the disparate customer relationship management systems deployed at present within the various Workplace Relations Bodies.

Adjournments

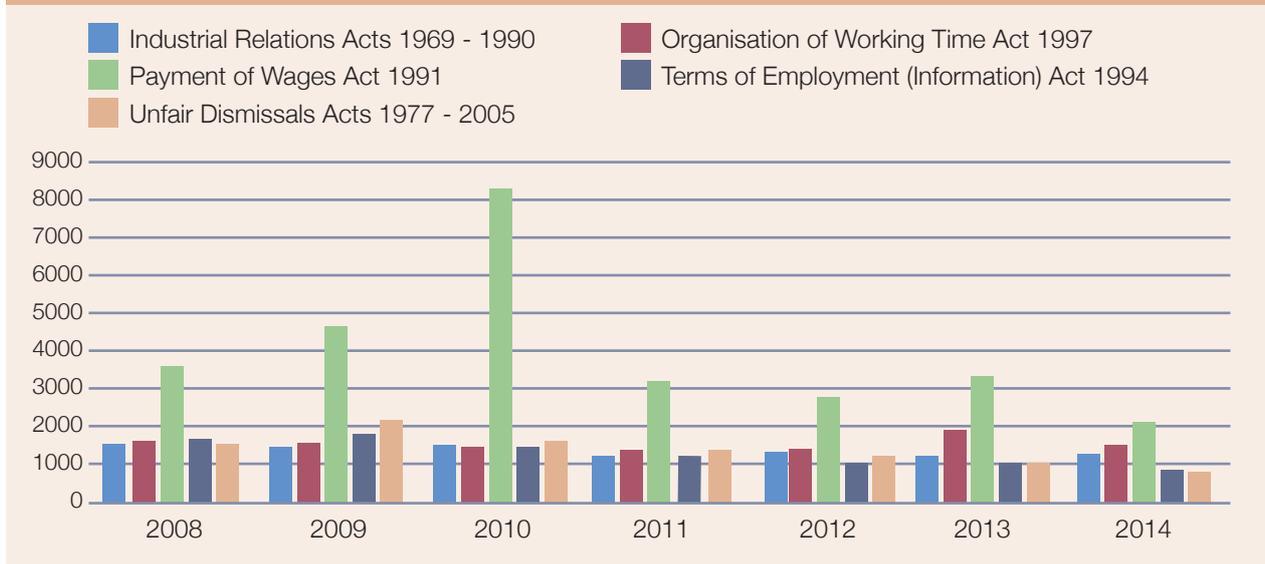
The level of adjournment requests continues to be a matter for on-going attention.

Staffing

The number of Rights Commissioners now stands at 12 operating to various patterns of agreed attendance. In common with other Public Service employments, a general moratorium on staff recruitment has had an impact on the Service at all levels, including at operational management level.

While 9,800 referrals were received in 2014, the bulk of referrals were received under the following 5 Acts:

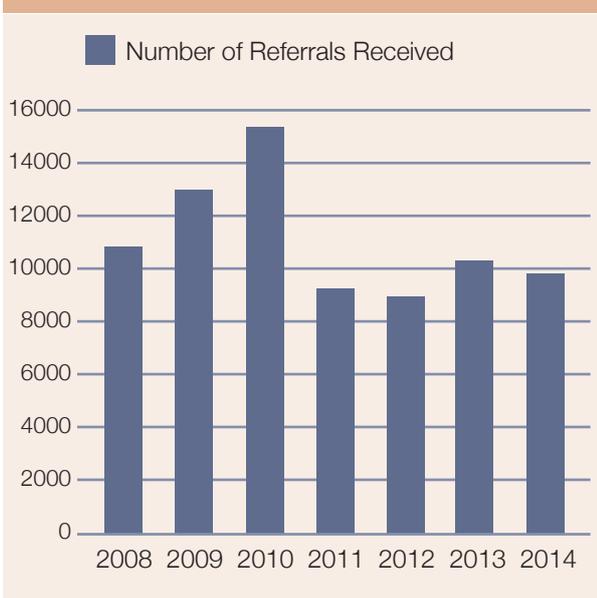
Referrals Received by Act



Statistics on Referrals Received by Act

	2008	2009	2010	2011	2012	2013	2014
Industrial Relations Acts 1969-1990	1,470	1,521	1,542	1,143	1,304	1,282	1,328
Organisation of Working Time Act 1997	1,516	1,577	1,396	1,288	1,308	1,930	1,596
Payment of Wages Act 1991	3,540	4,681	8,266	3,040	2,806	3,296	2,120
Terms of Employment (Information) Act 1994	1,722	1,812	1,514	1,233	957	1,012	858
Unfair Dismissals Acts 1977-2005	1,566	2,110	1,588	1,355	1,271	981	837

Number of Referrals Received



Statistics on Referrals Received

2008	10,900
2009	13,256
2010	15,671
2011	9,206
2012	8,852
2013	10,252
2014	9,800

Referrals for Protection of Employees (Temporary Agency Workers) Act, 2012

2012	171
2013	218
2014	80

List of the EU Directives, the Acts and the Regulations under which the Rights Commissioners have a function

1. Adoptive Leave Act 1995 (No. 2 of 1995)
2. Adoptive Leave Act 2005 (No. 25 of 2005)
3. Carer's Leave Act, 2001 (No. 19 of 2001)
4. Central Bank (Supervision and Enforcement) Act 2013 (No. 26 of 2013)
5. Charities Act 2009 (No. 6 of 2009)
6. Chemicals Act 2008 (No. 13 of 2008)
7. Competition Act, 2002 (No. 14 of 2002)
8. Competition (Amendment) Act 2006 (No. 4 of 2006)
9. Consumer Protection Act 2007 (No. 19 of 2007)
10. Criminal Justice Act 2011 (No. 21 of 2011)
11. Employees (Provision of Information and Consultation) Act 2006 (No. 9 of 2006)
12. Employment Permits Act 2006 (No. 16 of 2006)
13. European Communities (European Cooperative Society) (Employee Involvement) Regulations 2007 (S.I. No. 259 of 2007)
14. European Communities (European Public Limited-Liability Company) (Employee Involvement) Regulations 2006 (S.I. No. 623 of 2006)
15. European Communities (Occurrence Reporting in Civil Aviation) Regulations 2007 (No. 285 of 2007)
16. European Communities (Organisation of Working Time) (Mobile Staff in Civil Aviation) Regulations 2006 (S.I. No. 507 of 2006)
17. European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 (S.I. No. 131 of 2003)
18. European Communities (Protection of Employment) Regulations, 2000 (S.I. No. 488 of 2000)
19. European Communities (Working Conditions of Mobile Workers Engaged in Interoperable Cross-border Services in the Railway Sector) Regulations 2009 (S.I. No. 377 of 2009)
20. Financial Emergency Measures in the Public Interest Act 2010 (No. 38 of 2010)
21. Health Act 2007 (No. 23 of 2007)
22. Industrial Relations Act, 1946 (No. 26 of 1946)
23. Industrial Relations Act, 1969 (No. 14 of 1969)
24. Industrial Relations Act, 1976 (No. 15 of 1976)
25. Industrial Relations Act, 1990 (No. 19 of 1990)
26. Industrial Relations (Miscellaneous Provisions) Act 2004 (No. 4 of 2004)
27. Industrial Relations (Amendment) Act 2012 (No. 32 of 2012)
28. Inland Fisheries Act 2010 (No. 10 of 2010)
29. Labour Services (Amendment) Act 2009 (No. 38 of 2009)
30. Maternity Protection Act, 1994 (No. 34 of 1994)
31. Maternity Protection (Disputes and Appeals) Regulations, 1995 (S.I. No. 17 of 1995)
32. Maternity Protection (Amendment) Act 2004 (No. 28 of 2004)
33. National Asset Management Agency Act 2009 (No. 34 of 2009)
34. National Minimum Wage Act, 2000 (No. 5 of 2000)
35. National Minimum Wage Act, 2000 (Commencement) Order, 2000 (S.I. No. 96 of 2000)
36. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order, 2000 (S.I. No. 95 of 2000)
37. National Minimum Wage Act, 2000 (National Minimum Hourly Rate of Pay) (No. 2) Order, 2000 (S.I. No. 201 of 2000)
38. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2003 (S.I. No. 250 of 2003)

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39. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2005 (S.I. No. 203 of 2005)
 40. National Minimum Wage Act 2000 (National Minimum Hourly Rate of Pay) Order 2006 (S.I. No. 667 of 2006)
 41. National Minimum Wage Act 2000 (Section 11) Order 2011 (S.I. No. 13 of 2011)
 42. Organisation of Working Time Act, 1997 (No. 20 of 1997)
 43. Parental Leave Act, 1998 (No. 30 of 1998)
 44. Parental Leave (Disputes and Appeals) Regulations, 1999 (S.I. No. 6 of 1999)
 45. Parental Leave (Amendment) Act 2006 (No. 13 of 2006)
 46. Payment of Wages Act, 1991 (No. 25 of 1991)
 47. Prevention of Corruption (Amendment) Act 2010 (No. 33 of 2010)
 48. Protection for Persons Reporting Child Abuse Act, 1998 (No. 49 of 1998)
 49. Protection of Employees (Fixed-Term Work) Act 2003 (No. 29 of 2003)
 50. Protection of Employees (Part-Time Work) Act, 2001 (No. 45 of 2001)
 51. Protection of Employees (Temporary Agency Work) Act 2012 (No.13 of 2012)
 52. Protection of Employment (Exceptional Collective Redundancies and Related Matters) Act 2007 (No. 27 of 2007)
 53. Protection of Young Persons (Employment) Act, 1996 (No. 16 of 1996)
 54. Safety, Health and Welfare at Work Act 2005 (No.10 of 2005)
 55. Terms of Employment (Information) Act, 1994 (No. 5 of 1994)
 56. Unfair Dismissals Act, 1977 (No. 10 of 1977)
 57. Unfair Dismissals (Amendment) Act, 1993 (No. 22 of 1993)
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Corporate Services Division

Corporate Services Overview

The Director of Corporate Services is also Director of the Industrial Relations Advisory Service. The holder also acts as Secretary to the Board as well as Secretary to the Audit Committee. The Director of Corporate Services is assisted by one Assistant Principal, one Higher Executive Officer (w/s 0.5) and two Executive Officers. The Director also acted as Head of the Rights Commissioner Service until September 2014.

Board Meetings

There were 9 meetings of the Board in 2014. Pending the establishment of the Workplace Relations Commission, the Minister reappointed five members of the Board "with effect from the 7th July 2013 for a period not exceeding 12 months or until the Labour Relations Commission is disestablished, whichever is earlier". The Board was renewed on the same terms in 2014.

Board member attendance during the year was as follows:

Ms Breege O'Donoghue, Chair	9
Mr Brendan McGinty	9
Mr Fergus Whelan	7
Mr John Hennessy	8
Mr Peter McLoone	9

Code of Practice for the Governance and Conduct of the LRC

The Board applies procedures in accordance with the Code of Practice for the Governance of State Bodies. In addition, the Board and Commission have acted in accordance with the terms of the Organisation's own "Code of Practice for the Governance and Conduct of the LRC".

Audit Committee

The Audit Committee met on 4 occasions in 2014; 10th March, 8th May, 10th July and 11th November 2014.

The role of the Audit Committee, as part of the ongoing systematic review of the control environment and governance procedures within the Commission, is to report to and advise the Accounting Officer and the Board on internal control matters. The Internal Audit function is outsourced to an independent practitioner and her proposed Audit plans are considered and approved by the Committee as required and in the context of a structured programme of activity which ensures that every relevant aspect of Commission activity is examined over a predefined timescale.

In its consideration of Audit plans, the Committee is always mindful of developments such as updated Guidelines on Corporate Governance, best practice and the related increasing range and detail of compliance obligations on both the organisation and individual management personnel as new legislation, regulation and codes of practice are enacted.

The Audit Committee, having considered relevant reports from the Auditor, concluded that there was an effective system of internal controls in operation in the Commission in 2014.

Ethics in Public Office

All Board members, Rights Commissioners and relevant Officers of the Commission were advised of their obligations and/or completed the appropriate returns under the Ethics in Public Office Acts, as required.

Performance Management Development System (PMDS)

The Commission is committed to ensuring that best practice is employed in the delivery of all aspects of the PMDS so as to enhance the development of its staff and to ensure that a pathway for constructive two-way communication is in place. Role Profiles and Interim Reviews were completed in a timely fashion for all staff members of the Commission. The provision of upward feedback is encouraged as a feature of the process.

Commission's Annual Accounts 2014

The audited accounts for 2013 and the unaudited accounts for 2014 are included in this Report. The process of examination of the accounts had not commenced at the time the publication of this Report was being finalised. The submission of the Audited Accounts to the Minister and the process of laying the Accounts before the Oireachtas will be completed as expeditiously as possible once the auditing procedures and the Report of the Comptroller and Auditor General are concluded.

Overview of Energy Usage in 2014

The energy used by the Labour Relations Commission is primarily for the day to day running of our office buildings in Tom Johnson House and Lansdowne House. Energy usage in both buildings is shared between the tenants, with the LRC responsible for 22% of Tom Johnson House and in 9.38% of Lansdowne House.

In 2014, the total consumption for the LRC was 426,774 KWh of energy, consisting of:

- 191,215 KWh of electricity
- 235,559 KWh of gas.

Actions Undertaken in 2014

In 2014 the LRC undertook a range of energy performance initiatives, including:

- An SEAI information day was held for staff to raise awareness of energy usage.
- We have participated in the new SEAI on-line system for the purpose of reporting our energy usage in compliance with the European Communities (Energy End-Use Efficiency and Energy Services) Regulations 2009 (SI 542 of 2009).
- Regular meetings with our energy monitoring agent in Aramark to discuss energy usage and performance in Tom Johnson House.

- The Office has continued efforts to minimise energy usage by ensuring that electrical equipment and lighting are switched off at close of business each day.

Actions Planned for 2015

An energy audit will be undertaken during 2015 to determine if there are further areas where savings can be made. The LRC's involvement in energy awareness campaigns will focus on closer monitoring of the heating time schedules and staff will continue to be reminded to turn off office equipment and lights.

Prompt Payments of Accounts

Report on Compliance with the Provisions of the Prompt Payment of Accounts Act

The payment practices of the Labour Relations Commission, as required by the Act, are reported on below for the year ended 31 December 2014:

1. In accordance with Government decision S29296 of 2 March 2011, the Labour Relations Commission is committed to making every effort to pay suppliers within 15 days of receipt of a valid invoice.
2. Specific procedures are in place to track all invoices and ensure that payments are made before the due date. Invoices are registered daily and payments are issued as required to ensure timely compliance.
3. Where necessary, prompt payment interest will be paid in accordance with guidelines issued by the Department of Jobs, Enterprise and Innovation.
4. Quarterly Prompt Payment Reports are published under the "Information for Suppliers" section of the website.

Period Covered: 1 January 2014 to 31 December 2014

Details	Number	Value (€)	Percentage (%) of total number of payments made
Total payments made in 2014	1,162	461,878.07	100%
Number of payments made within 15 days	1,159	460,122.57	99.74%
Number of payments made within 16 days to 30 days	3	1,755.50	0.26%
Number of payments made in excess of 30 days	0	0	0
Disputed invoices	0	0	0
Total	1,162	461,878.07	100%

Chapter 3

Audited Financial Statements for the year ended 31st December 2013



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Statement of Responsibilities of the Commission

For year ended 31 December 2013

Section 31(1) of the Industrial Relations Act 1990 requires the Commission to prepare Financial Statements in such form as may be approved by the Minister for Jobs, Enterprise and Innovation after consultation with the Minister for Public Expenditure and Reform. In preparing those statements, the Commission is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is an inappropriate basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the Financial Statements comply with Section 31(1) of the Act. The Commission is also responsible for safeguarding the assets of the Labour Relations Commission and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Breege O'Donoghue
Chairperson
Date: 11th November 2014



John Hennessy
Commission Member
Date: 11th November 2014

Statement on Internal Financial Control

For year ended 31 December 2013

Responsibility on Internal Financial Control

As Chairman, I acknowledge the responsibility of the Labour Relations Commission for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Commission has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities and powers;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the Commission; and
- Developing a culture of accountability across all levels of the Commission.

The Commission has established procedures to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the Commission including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring - a risk register is in place;
- Assessing the Commission's ability to manage and mitigate the risks that do occur; and
- Assessing the costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with a monthly budget which is reviewed and agreed by the Commission;

- Regular reviews by the Commission of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing and approval guidelines; and
- Formal project management disciplines.

The Commission employed a consultant, on a contract basis, as internal auditor to conduct a review of the effectiveness of the system of internal controls.

The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee, the executive managers within the Commission who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

I confirm that for the year ended 31 December 2013 the Commission conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Labour Relations Commission.



Breege O'Donoghue
Chairperson

Date: 11th November 2014

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

For year ended 31 December 2013

Labour Relations Commission

I have audited the financial statements of the Labour Relations Commission for the year ended 31 December 2013 under the Industrial Relations Act 1990. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial statements have been prepared under Section 31 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Commission

The Commission is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Commission's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of 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 Commission's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting

estimates made in the preparation of the financial statements, and

- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Commission's affairs at 31 December 2013 and of its income and expenditure for 2013.

In my opinion, proper books of account have been kept by the Commission. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the Statement on Internal Financial Control does not reflect the Commission's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General
19 November 2014

Statement of Accounting Policies

For year ended 31 December 2013

1 Basis of Accounting

These financial statements have been prepared under the accruals method of accounting, except as stated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative. The unit of currency in which the Financial Statements are denominated is Euro.

2 Oireachtas Grants

Income is accounted for on the basis of:

- Cash receipts from the Department of Jobs, Enterprise and Innovation;
- Payments made by the Department of Jobs, Enterprise and Innovation on behalf of the Commission.

3 Fixed Assets and Depreciation

The Labour Relations Commission adopts a minimum capitalisation threshold of €1,000. Fixed assets are stated at their cost less accumulated depreciation. Depreciation is charged at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis as follows:

Furniture, Fixtures and Fittings	10% Per Annum
Equipment	20% Per Annum

4 Capital Account

The capital account represents the unamortised amount of income used to purchase fixed assets and the value of assets transferred to the Commission.

5 Pensions

The Commission operates a non-contributory defined benefit pension scheme for one Officer which is funded annually on a pay-as-you-go basis from monies provided by the Department of Jobs, Enterprise and Innovation. Pension Scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

6 Stocks

Stocks of publications and stationery have no net realisable value and are not regarded as assets.

Income and Expenditure Account

For year ended 31 December 2013

	Notes	€	2013 €	2012 €
Income				
Oireachtas grants	1		4,054,962	4,597,572
Net deferred funding for pensions	5(a)		147,000	142,000
			<u>4,201,962</u>	<u>4,739,572</u>
Transfer (to)/from Capital Account	2		19,966	40,628
			<u>4,221,928</u>	<u>4,780,200</u>
Expenditure				
Salaries and related costs	3	3,217,525		3,629,832
Travel and subsistence		219,955		261,543
Commission members' fees	6	80,370		92,340
Rental of meeting rooms		73,371		99,995
Stationery and office supplies		32,745		41,641
Postage, carriage and telephone		138,312		127,172
Entertainment and catering		13,824		3,936
Research		35,962		-
Utilities & Office maintenance		187,615		178,659
Audit fee		8,200		8,225
Consultancy and professional fees		44,467		50,653
Miscellaneous		38,155		33,301
Printing		5,927		12,989
Training		4,733		20,301
Pension costs	5(a)	147,000		142,000
Refurbishment		-		23,412
Depreciation		46,169		62,975
			<u>4,294,330</u>	<u>4,788,974</u>
Deficit for year			(72,402)	(8,774)
Balance at 1 January			84,127	92,901
Balance at 31 December			<u>11,725</u>	<u>84,127</u>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 11th November 2014



Kieran Mulvey
Chief Executive
Date: 11th November 2014

Statement of Total Recognised Gains and Losses

For year ended 31 December 2013

	Note	2013 €	2012 €
Deficit for the year		(72,402)	(8,774)
Experience gains on pension scheme liabilities		307,000	52,000
Changes in assumption underlying the present value of pension scheme liabilities		-	-
Actuarial gain on pension liabilities		<u>307,000</u>	<u>52,000</u>
Adjustment to deferred pension funding	5(e)	(307,000)	(52,000)
Total recognised loss for the year		<u>(72,402)</u>	<u>(8,774)</u>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 11th November 2014



Kieran Mulvey
Chief Executive
Date: 11th November 2014

Balance Sheet

As at 31 December 2013

	Notes	€	2013 €	2012 €
Fixed Assets	9		112,247	132,213
Current Assets				
Debtors and prepayments	10	108,826		107,633
Cash at bank and on hand	11	18,515		74,151
		127,341		181,784
Current Liabilities				
Creditors (amounts falling due within one year)	12	115,617		97,658
		115,617		97,658
Net Current Assets			11,724	84,126
Total Assets less Current Liabilities before Pension			123,971	216,339
Deferred pension funding	5(d)		1,310,000	1,470,000
Pension liabilities	5(b)		(1,310,000)	(1,470,000)
Total Assets less Current Liabilities			123,971	216,339
Represented by:				
Capital Account	2		112,246	132,212
Income and expenditure account			11,725	84,127
			123,971	216,339

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 11th November 2014



Kieran Mulvey
Chief Executive
Date: 11th November 2014

Notes to the Financial Statements

For year ended 31 December 2013

1 Oireachtas Grants

The Department of Jobs, Enterprise and Innovation (Vote 32) provided grant funding during the year as follows:
Paid over to the Labour Relations Commission - Subhead C.3
Paid directly by the Department - Subhead C.3

	2013 €	2012 €
	750,000	889,000
	3,304,962	3,708,572
	<u>4,054,962</u>	<u>4,597,572</u>

2 Capital Account

Balance at 1 January

Transfer from Income and Expenditure Account

Income applied to purchases of Fixed Assets
Net book value of assets disposed
Amortisation in line with depreciation

Balance at 31 December

	2013 €	2012 €
	132,212	172,840
	26,203	22,347
	-	-
	(46,169)	(62,975)
	<u>(19,966)</u>	<u>(40,628)</u>
	<u>112,246</u>	<u>132,212</u>

3 Salaries and Related Costs

All staff, other than the Chief Executive and the Rights Commissioners, are Civil Servants assigned to the Commission by the Department of Jobs, Enterprise and Innovation.

The charge of €3,217,525 (2012: €3,629,832) includes fees of €858,644 (2012: €1,076,245) payable to 13 Rights Commissioners.

The total number of staff employed at 31 December 2013 was 45 (2012: 47) with a salary cost of €2,358,881 (2012: €2,461,247).

4 Chief Executive

The Chief Executive received salary payments of €161,948 (2012: €168,000). No bonus payments were made in the year. The Chief Executive received an amount of €10,965 (2012: €12,322) in respect of travel and subsistence. The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme.

5 Pension

(a) Analysis of total pension costs charged to Expenditure

Current service costs
Interest on Pension Scheme Liabilities

Pension charge in year

	2013 €	2012 €
	66,000	66,000
	81,000	76,000
	<u>147,000</u>	<u>142,000</u>

Notes to the Financial Statements (continued)

For year ended 31 December 2013

(b) Movement in net pension liability during the financial year

	2013 €	2012 €
Net pension liability at 1 January	1,470,000	1,380,000
Current service cost	66,000	66,000
Interest cost	81,000	76,000
Actuarial gain	(307,000)	(52,000)
Pensions paid in the year	-	-
	<u>1,310,000</u>	<u>1,470,000</u>

(c) Net deferred funding for pension

The Net Deferred Funding for Pensions recognised in Income and Expenditure was as follows:

	2013 €	2012 €
Funding Recoverable in respect of current year pension costs	147,000	142,000
State Grant applied to pay pensioners	0	0
	<u>147,000</u>	<u>142,000</u>

(d) Deferred funding for pensions

The Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for pension on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension schemes, and the policy and practice currently in place in relation to funding public service pensions including the annual estimates process.

The Commission has no evidence that this funding will not continue to meet such sums in accordance with current practices. The deferred funding asset for pension as at 31 December 2013 amounted to €1,310,000 (2012: €1,470,000).

(e) History of defined benefit obligations

	2013 €	2012 €
Defined benefit obligations	1,310,000	1,470,000
Experience losses/(gains) on scheme liabilities:		
Amount	(307,000)	(52,000)
Percentage of scheme liabilities	(23%)	(4%)
The cumulative actuarial loss recognised in the Statement Total Recognised Gains and Losses amounts to €587,000		

(f) General description of the scheme

The pension scheme is a defined benefit salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 15 March 2014 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2013.

Notes to the Financial Statements (continued)

For year ended 31 December 2013

The principal actuarial assumptions were as follows:

	2013	2012
Rate of increase in salaries	4%	4%
Rate of increase in pensions in payment	4%	4%
Discount rate	5.5%	5.5%
Inflation rate	2%	2%
Average life expectancy:		
Male aged 65	22	22
Female aged 65	25	25

6 Commission Members' Fees

The annual fees payable to Commission Members are as follows:

	2013	2012
	€	€
Chairperson	20,520	20,520
Ordinary Members	59,850	71,820
	<u>80,370</u>	<u>92,340</u>

7 Commission Members' Fee List

	Fees 2013	2012
	€	€
Breege O'Donoghue (Chairperson)	20,520	20,520
Gerard Barry	5,985	11,970
Iarla Duffy	5,985	11,970
Brendan McGinty	11,970	11,970
John Hennessy	11,970	11,970
Peter McLoone	11,970	11,970
Fergus Whelan	11,970	11,970
	<u>80,370</u>	<u>92,340</u>

The amount paid to Commission Members in 2013 in respect of:

	€	€
Mileage expenses	1,465	3,861
Subsistence expenses	545	1,417
	<u>2,010</u>	<u>5,278</u>

8 Rent & Rates

The Commission operates from offices provided on a rent free basis by the Office of Public Works.

Notes to the Financial Statements (continued)

For year ended 31 December 2013

9 Fixed Assets	Furniture, Fixtures and Fittings	Equipment	Total
Cost	€	€	€
At 1 January 2013	455,288	584,499	1,039,787
Additions In Year	-	26,203	26,203
Disposals In Year	-	(9,129)	(9,129)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	455,288	601,573	1,056,861
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation			
At 1 January 2013	356,817	550,757	907,574
Charge for Year	26,744	19,425	46,169
Depreciation on Disposals	-	(9,129)	(9,129)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	383,561	561,053	944,614
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2013	71,727	40,520	112,247
	<hr/>	<hr/>	<hr/>
At 31 December 2012	98,471	33,742	132,213
	<hr/>	<hr/>	<hr/>
10 Debtors & Prepayments		2013	2012
		€	€
Debtors		10,038	13
Prepayments		20,770	29,602
OPW		78,018	78,018
		<hr/>	<hr/>
		108,826	107,633
		<hr/>	<hr/>
11 Bank & Cash		2013	2012
		€	€
Current account		17,035	72,583
Deposit account		1,333	1,333
Petty cash		147	235
		<hr/>	<hr/>
		18,515	74,151
		<hr/>	<hr/>
12 Creditors		2013	2012
		€	€
Accruals		99,172	89,433
Audit fee		16,445	8,225
		<hr/>	<hr/>
		115,617	97,658
		<hr/>	<hr/>

Notes to the Financial Statements (continued)

For year ended 31 December 2013

13 Related Party Transactions

The Labour Relations Commission is an independent statutory body under the aegis of the Department of Jobs, Enterprise and Innovation. The Commission received grant aid from the Department of Jobs, Enterprise and Innovation and, due to various material transactions, this Department is regarded as a related party.

The Board adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interest by the Board members and these procedures have been adhered to in the year.

There were no transactions in the year in relation to the Board's activities in which the Board members had any beneficial interest.

14 Going Concern

The Minister for Jobs, Enterprise and Innovation announced in July 2011 that he wished to reform the operation of the Employment Rights and Industrial Relations (ERIR) machinery of the State. The proposed reform is to streamline the State's five employment rights bodies: The Labour Relations Commission (LRC), National Employment Rights Authority (NERA), Employment Appeals Tribunal (EAT), Equality Tribunal and the Labour Court.

It is the intention of the Minister to cease the operation of the Labour Relations Commission as an independent statutory body including the role of Chief Executive and his Accounting Officer statutory responsibilities, through the establishment of a newly constituted Workplace Relations Commission.

The Workplace Relations Bill was published on 30 July 2014. The Bill has commenced its passage through the Oireachtas and the Second Stage in the Dail was completed on 8 October 2014. The Minister is committed to the enactment of the Bill before the end of 2014 with a view to having the new workplace relations structures in place in early 2015.

As the functions, operations, staff, assets and liabilities of the Labour Relations Commission will be transferred to the new Workplace Relations Commission on a going concern basis, it is appropriate for the accounts to be prepared on a going concern basis.

15 Approval of Financial Statements

These financial statements were approved by the Board on the 11th November 2014.

Un-Audited Financial Statements for the year ended 31st December 2014



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Statement of Responsibilities of the Commission

For year ended 31 December 2014

Section 31(1) of the Industrial Relations Act 1990 requires the Commission to prepare Financial Statements in such form as may be approved by the Minister for Jobs, Enterprise and Innovation after consultation with the Minister for Public Expenditure and Reform. In preparing those statements, the Commission is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is an inappropriate basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Commission is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Commission and which enable it to ensure that the Financial Statements comply with Section 31(1) of the Act. The Commission is also responsible for safeguarding the assets of the Labour Relations Commission and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Breege O'Donoghue
Chairperson
Date: 19th June 2015



John Hennessy
Commission Member
Date: 19th June 2015

NOTE: THESE ARE UN-AUDITED FINANCIAL STATEMENTS

Statement on Internal Financial Control

For year ended 31 December 2014

Responsibility on Internal Financial Control

As Chairman, I acknowledge the responsibility of the Labour Relations Commission for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Commission has taken steps to ensure an appropriate control environment is in place by:

- Clearly defining management responsibilities and powers;
- Establishing formal procedures for monitoring the activities and safeguarding the assets of the Commission; and
- Developing a culture of accountability across all levels of the Commission

The Commission has established procedures to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the Commission including the extent and categories which it regards as acceptable;
- Assessing the likelihood of identified risks occurring - a risk register is in place;
- Assessing the Commission's ability to manage and mitigate the risks that do occur; and
- Assessing the costs of operating particular controls relative to the benefit obtained

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with a monthly budget which is reviewed and agreed by the Commission;

- Regular reviews by the Commission of periodic and annual financial reports which indicate financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing and approval guidelines; and
- Formal project management disciplines.

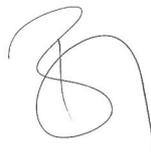
The Commission employed a consultant, on a contract basis, as internal auditor to conduct a review of the effectiveness of the system of internal controls.

The Commission's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the Internal Auditor, the Audit Committee, the executive managers within the Commission who have responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

Annual Review of Controls

I confirm that for the year ended 31 December 2014 the Commission conducted a review of the effectiveness of the system of internal financial controls.

Signed on behalf of the Labour Relations Commission.



Breege O'Donoghue
Chairperson

Date: 19th June 2015

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

For year ended 31 December 2014

The process of finalising the audit of the Commission's accounts for 2014 has commenced at this time of writing.

The audited accounts will be published when the Comptroller and Auditor General has completed the annual review and issued the relevant certification.

Statement of Accounting Policies

For year ended 31 December 2014

1 Basis of Accounting

These financial statements have been prepared under the accruals method of accounting, except as stated below, and in accordance with generally accepted accounting principles under the historical cost convention. Financial Reporting Standards recommended by the recognised accountancy bodies are adopted, as they become operative. The unit of currency in which the Financial Statements are denominated is Euro.

2 Oireachtas Grants

Income is accounted for on the basis of:

- Cash receipts from the Department of Jobs, Enterprise and Innovation;
- Payments made by the Department of Jobs, Enterprise and Innovation on behalf of the Commission.

3 Fixed Assets and Depreciation

The Labour Relations Commission adopts a minimum capitalisation threshold of €1,000. Fixed assets are stated at their cost less accumulated depreciation. Depreciation is charged at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis as follows:

Furniture, Fixtures and Fittings	10% Per Annum
Equipment	20% Per Annum

4 Capital Account

The capital account represents the unamortised amount of income used to purchase fixed assets and the value of assets transferred to the Commission.

5 Pensions

The Commission operates a non-contributory defined benefit pension scheme for one Officer which is funded annually on a pay-as-you-go basis from monies provided by the Department of Jobs,

Enterprise and Innovation. Pension Scheme liabilities are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned in the period. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Total Recognised Gains and Losses and a corresponding adjustment is recognised in the amount recoverable from the Department of Jobs, Enterprise and Innovation.

Pension liabilities represent the present value of future pension payments earned to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department of Jobs, Enterprise and Innovation.

6 Stocks

Stocks of publications and stationery have no net realisable value and are not regarded as assets.

Income and Expenditure Account

For year ended 31 December 2014

	Notes	€	2014 €	2013 €
Income				
Oireachtas grants	1		4,049,785	4,054,962
Net deferred funding for pensions	5(a)		119,000	147,000
			<hr/>	<hr/>
			4,168,785	4,201,962
Transfer (to)/from Capital Account	2		32,382	19,966
			<hr/>	<hr/>
			4,201,167	4,221,928
Expenditure				
Salaries and related costs	3	3,170,954		3,217,525
Travel and subsistence		220,950		219,955
Commission members' fees	6	68,400		80,370
Rental of meeting rooms		76,106		73,371
Stationary and office supplies		21,744		32,745
Postage, carriage and telephone		110,927		138,312
Entertainment and catering		2,624		13,824
Research		14,246		35,962
Utilities and Office maintenance		145,537		187,615
Audit fees		8,200		8,200
Consultancy and professional fees		92,197		44,467
Miscellaneous		35,297		38,155
Printing		7,496		5,927
Training		6,165		4,733
Pension costs	5(a)	119,000		147,000
Refurbishment		61,750		-
Depreciation		39,973		46,169
Loss on disposal of fixed assets		220		-
		<hr/>	<hr/>	<hr/>
			4,201,786	4,294,330
Deficit for year				
			(619)	(72,402)
Balance at 1 January			11,725	84,127
			<hr/>	<hr/>
Balance at 31 December			11,106	11,725
			<hr/>	<hr/>

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 19th June 2015



Kieran Mulvey
Chief Executive
Date: 19th June 2015

Statement of Total Recognised Gains and Losses

For year ended 31 December 2014

	Notes	2014 €	2013 €
Deficit for the year		(619)	(72,402)
Experience gains on pension scheme liabilities		99,000	307,000
Changes in assumption underlying the present value of pension scheme liabilities		-	-
Actuarial gain on pension liabilities		99,000	307,000
Adjustment to deferred pension funding	5(e)	(99,000)	(307,000)
Total recognised loss for the year		(619)	(72,402)

The results for the year relate to continuing operations.

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 19th June 2015



Kieran Mulvey
Chief Executive
Date: 19th June 2015

Balance Sheet

For year ended 31 December 2014

	Notes	€	2014 €	2013 €
Fixed Assets	9		79,864	112,247
Current Assets				
Debtors and prepayments	10	37,689		108,826
Cash at bank and on hand	11	97,512		18,515
		135,201		127,341
Current Liabilities				
Creditors (amounts falling due within one year)	12	124,095		115,617
		124,095		115,617
Net Current Assets			11,106	11,724
Total Assets less Current Liabilities before Pension			90,970	123,971
Deferred pension funding	5(d)		1,330,000	1,310,000
Pension liabilities	5(b)		(1,330,000)	(1,310,000)
Total Assets less Current Liabilities			90,970	123,971
Represented by:				
Capital Account	2		79,864	112,246
Income and expenditure account			11,106	11,725
			90,970	123,971

The Statement of Accounting Policies and Notes 1 to 15 form part of these Financial Statements.



Breege O'Donoghue
Chairperson
Date: 19th June 2015



Kieran Mulvey
Chief Executive
Date: 19th June 2015

Notes to the Financial Statements

For year ended 31 December 2014

1 Oireachtas Grants

The Department of Jobs, Enterprise and Innovation (Vote 32) provided grant funding during the year as follows:
Paid over to the Labour Relations Commission - Subhead C.3
Paid directly by the Department - Subhead C.3

	2014 €	2013 €
	600,000	750,000
	3,449,785	3,304,962
	<u>4,049,785</u>	<u>4,054,962</u>

2 Capital Account

Balance at 1 January

Transfer (to)/from Income and Expenditure Account

Income applied to purchases of Fixed Assets
Net book value of assets disposed
Amortisation in line with depreciation

Balance at 31 December

	2014 €	2013 €
	112,246	132,212
	7,811	26,203
	(220)	-
	(39,973)	(46,169)
	<u>(32,382)</u>	<u>(19,966)</u>
	<u>79,864</u>	<u>112,246</u>

3 Salaries and Related Costs

All staff, other than the Chief Executive and the Rights Commissioners, are Civil Servants assigned to the Commission by the Department of Jobs, Enterprise and Innovation.

The charge of €3,170,954 (2013: €3,217,525) includes fees of €862,681 (2013: €858,644) payable to 12 Rights Commissioners.

The total number of staff employed at 31 December 2014 was 43 (2013: 45) with a salary cost of €2,308,273 (2013: €2,358,881).

4 Chief Executive

The Chief Executive received salary payments of €156,380 (2013: €161,948). No bonus payments were made in the year. The Chief Executive received an amount of €7,670 (2013: €10,965) in respect of travel and subsistence. The Chief Executive's pension entitlements do not extend beyond the standard entitlements in the model public sector defined benefit superannuation scheme. The Chief Executive, as Chair of the Irish Sports Council, received a fee of €8,978 in 2014.

5 Pension

(a) Analysis of total pension costs charged to Expenditure

Current service costs
Interest on Pension Scheme Liabilities

Pension charge in year

	2014 €	2013 €
	47,000	66,000
	72,000	81,000
	<u>119,000</u>	<u>147,000</u>

Notes to the Financial Statements (continued)

For year ended 31 December 2014

(b) Movement in net pension liability during the financial year

	2014	2013
	€	€
Net pension liability at 1 January	1,310,000	1,470,000
Current service cost	47,000	66,000
Interest cost	72,000	81,000
Actuarial gain	(99,000)	(307,000)
Pensions paid in the year	-	-
	<hr/>	<hr/>
Net pension liability at 31 December	1,330,000	1,310,000
	<hr/>	<hr/>

(c) Net deferred funding for pension

The Net Deferred Funding for Pensions recognised in Income and Expenditure was as follows:

	2014	2013
	€	€
Funding Recoverable in respect of current year pension costs	119,000	147,000
State Grant applied to pay pensioners	0	0
	<hr/>	<hr/>
	119,000	147,000
	<hr/>	<hr/>

(d) Deferred funding for pensions

The Commission recognises these amounts as an asset corresponding to the unfunded deferred liability for pension on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the pension schemes, and the policy and practice currently in place in relation to funding public service pensions including the annual estimates process.

The Commission has no evidence that this funding will not continue to meet such sums in accordance with current practices. The deferred funding asset for pension as at 31 December 2014 amounted to €1,330,000 (2013: €1,310,000).

(e) History of defined benefit obligations

	2014	2013
Defined benefit obligations	€1,330,000	€1,310,000
Experience losses/(gains) on scheme liabilities:		
Amount	€(99,000)	€(307,000)
Percentage of scheme liabilities	(7%)	(23%)
The cumulative actuarial loss recognised in the Statement Total		
Recognised Gains and Losses amounts to €587,000		

(f) General description of the scheme

The pension scheme is a defined benefit salary pension arrangement with benefits and contributions defined by reference to current "model" public sector scheme regulations. The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 7 April 2015 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2014.

Notes to the Financial Statements (continued)

For year ended 31 December 2014

The principal actuarial assumptions were as follows:

	2014	2013
Rate of increase in salaries	4%	4%
Rate of increase in pensions in payment	4%	4%
Discount rate	5.5%	5.5%
Inflation rate	2%	2%
Average life expectancy:		
Male aged 65	22	22
Female aged 65	25	25

6 Commission Members' Fees

The annual fees payable to Commission Members are as follows:

	2014	2013
	€	€
Chairperson	20,520	20,520
Ordinary Members	47,880	59,850
	<u>68,400</u>	<u>80,370</u>

7 Commission Members' Fee List

	Fees 2014	2013
	€	€
Breege O'Donoghue (Chairperson)	20,520	20,520
Gerard Barry	-	5,985
Iarla Duffy	-	5,985
Brendan McGinty	11,970	11,970
John Hennessy	11,970	11,970
Peter McLoone	11,970	11,970
Fergus Whelan	11,970	11,970
	<u>68,400</u>	<u>80,370</u>

The amount paid to Commission Members in 2014 in respect of:

	€	€
Mileage expenses	-	1,465
Subsistence expenses	-	545
	<u>-</u>	<u>2,010</u>

8 Rent and Rates

The Commission operates from offices provided on a rent free basis by the Office of Public Works.

Notes to the Financial Statements (continued)

For year ended 31 December 2014

9 Fixed Assets

	Furniture, Fixtures and Fittings	Equipment	Total
Cost	€	€	€
At 1 January 2014	455,288	601,573	1,056,861
Additions In Year	-	7,810	7,810
Disposals In Year	(33,299)	(151,450)	(184,749)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	421,989	457,933	879,922
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation			
At 1 January 2014	383,561	561,053	944,614
Charge for Year	22,242	17,731	39,973
Depreciation on Disposals	(33,299)	(151,230)	(184,529)
	<hr/>	<hr/>	<hr/>
At 31 December 2014	372,504	427,554	800,058
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2014	49,485	30,379	79,864
	<hr/>	<hr/>	<hr/>
At 31 December 2013	71,727	40,520	112,247
	<hr/>	<hr/>	<hr/>

10 Debtors and Prepayments

	2014	2013
	€	€
Debtors	861	10,038
Prepayments	20,560	20,770
OPW	16,268	78,018
	<hr/>	<hr/>
	37,689	108,826
	<hr/>	<hr/>

11 Bank and Cash

	2014	2013
	€	€
Current account	95,988	17,035
Deposit account	1,333	1,333
Petty cash	191	147
	<hr/>	<hr/>
	97,512	18,515
	<hr/>	<hr/>

12 Creditors

	2014	2013
	€	€
Accruals	115,895	99,172
Audit fee	8,200	16,445
	<hr/>	<hr/>
	124,095	115,617
	<hr/>	<hr/>

Notes to the Financial Statements (continued)

For year ended 31 December 2014

13 Related Party Transactions

The Labour Relations Commission is an independent statutory body under the aegis of the Department of Jobs, Enterprise and Innovation. The Commission received grant aid from the Department of Jobs, Enterprise and Innovation and, due to various material transactions, this Department is regarded as a related party.

The Board adopted procedures in accordance with the Code of Practice for the Governance of State Bodies in relation to the disclosure of interest by the Board members and these procedures have been adhered to in the year.

There were no transactions in the year in relation to the Board's activities in which the Board members had any beneficial interest.

14 Going Concern

The Minister for Jobs, Enterprise and Innovation announced in July 2011 that he wished to reform the operation of the Employment Rights and Industrial Relations (ERIR) machinery of the State. The proposed reform is to streamline the State's five employment rights bodies: The Labour Relations Commission (LRC), National Employment Rights Authority (NERA), Employment Appeals Tribunal (EAT), Equality Tribunal and the Labour Court.

It is the intention of the Minister to cease the operation of the Labour Relations Commission as an independent statutory body including the role of Chief Executive and his Accounting Officer statutory responsibilities, through the establishment of a newly constituted Workplace Relations Commission.

The Workplace Relation Bill was published on 30 July 2014. The Act has now been passed and signed into law. The Minister has announced that the Act will commence on the 1 October 2015.

As the functions, operations, staff, assets and liabilities of the Labour Relations Commission will be transferred to the new Workplace Relations Commission on a going concern basis, it is appropriate for the accounts to be prepared on a going concern basis.

15 Status of Financial Statements

These are un-audited Financial Statements.

16 Approval of Financial Statements

These un-audited Financial Statements were approved by the Board on the 19 June 2015.





Labour Relations Commission
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