

Annual Report and Financial Statements Parades Commission for Northern Ireland for the year ended 31st March 2012

Presented to Parliament pursuant to Schedule
1, paragraphs 12 and 13 of the Public Processions
(Northern Ireland) Act 1998



parades
commission



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Foreword By The Chairman

This Annual Report covers the period 1st April 2011 to 31st March 2012.

(Peter Osborne was appointed Chairman of the Parades Commission from 1st January 2011)

Parading is not peculiar to Northern Ireland; it is a commonplace cultural tradition readily found elsewhere in the world, be they celebrations of religious feast days, Mardi Gras-style events, historic commemorations or military homecoming parades.

For us in Northern Ireland, however, parading may also be a lightning conductor for fractures in wider society, an unhappy state-of-affairs which has, on occasion, led to intolerable strains on community relations.

It was against such a backdrop that the Parades Commission was established in 1998 and I am content to note that much progress has been made in the 14 years since then. In 2012 society in Northern Ireland is more at ease with itself, helping draw the sting from issues such as parading.

Community relations are improving, largely due to the involvement of many people of good faith and good will. Many of these are people whom the Parades Commission has had the pleasure of working with over the past year.

The vast majority of parades in Northern Ireland are not contentious and the small proportion of those which are has been steadily declining. That is due, in no small degree, to the actions of some parade organisers and community representatives who have taken extra steps to reach accommodation and create local solutions to local issues.

Much of that excellent work – undertaken by people acting on a voluntary basis and in their private time – goes unreported in the media and unrecognised by the public at large. On behalf of the Commission I would like to take the opportunity to publicly record our thanks to those individuals who have shown leadership and encouraged a generous approach in both language and actions.

Dialogue remains core to the operations of the Parades Commission and we will continue to strive to encourage, facilitate and support discussion around difficult parades. The outworking of such dialogue may not always lead to an agreed way forward, but the process of exchanging ideas, of having to assess and reflect upon the views of those who disagree with you, has a positive impact upon the atmosphere surrounding contentious parades.

While it is right to acknowledge the progress which has been made on the parading issue we still need to recognise that, for a small number of parades and local communities, this issue remains a source of great tension and apprehension. Contentious parades and associated protests still have the potential to cause trouble and enormous damage to good relations – not just in the locality of the parade itself, but further afield.

The Parades Commission will continue to do all that we can to encourage local accommodation and we will seek to do that many months in advance of the actual parade taking place. Our work for the next summer starts in September of the parading season just completed.

People often think of parading related issues in simple and zero-sum terms. In fact, the issues surrounding contentious parades are highly complex and often interconnected with a range of issues not evident to outside observers. Those engaged in dialogue require time and space to unpick situations which may have taken years, if not decades, to embed. To expect overnight success is unrealistic; resolving engrained difficulties may require engagement measured in years rather than months. For its part, the Parades Commission is committed to the long-haul.



Foreword

On its own the Parades Commission will clearly find it more difficult to resolve contention around parades. We need political and community leaders, parade organisers and those who participate in parades and protests to play their part constructively, honestly and openly. Where that has happened, much progress has been made. Where local people are motivated to make progress, develop relationships and demonstrate good leadership, parades-related contention will decrease and become less of a feature of our improving social landscape.

The Commission is also keen to build upon its engagement work with the public and stakeholders to explore and discuss parading issues, and to explain our role and remit. We will continue to do so, which is a timely opportunity to thank colleagues on the Commission and within the small Secretariat team. Public service on such a challenging topic is not easy – indeed it often feels like a thankless task where success can go unreported, unrecognised and unappreciated. However, the Commission has made a difference and will keep making a positive contribution to public life in Northern Ireland.

Peter Osborne

Accounting Officer's Report

FINANCIAL STATEMENT - ACCOUNTS DIRECTION

Under paragraph 12 (1) of Schedule 1 to the Public Processions (Northern Ireland) Act 1998, as amended by the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998, the Commission is required to:

- (a) keep proper accounts and proper records in relation to the accounts; and
- (b) prepare a statement of accounts in respect of each financial year of the Commission.

The accounts have been prepared in accordance with a direction issued by the Northern Ireland Office under the 1998 Act. The accounts incorporate a Statement of Comprehensive Net Expenditure, a Statement of Financial Position, a Statement of Cash Flows and a Statement of Changes in Taxpayers' Equity.

MEMBERSHIP OF THE COMMISSION

From 1st April 2011 until 31st March 2012 the membership was as follows:

Mr Peter Osborne (Chairman)
Mr Douglas Bain
Mrs Delia Close
Rev Brian Kennaway
Dr Catriona King
Mrs Frances Nolan
Mr Robin Percival

DISABLED EMPLOYEES

The Parades Commission aims to ensure that there is no discrimination on the grounds of disability and that access to employment and career advancement in the Commission is based solely on ability, qualifications and suitability for the post. The Commission complies with all existing legislation in regard to its disabled employees.

EQUAL OPPORTUNITIES

In keeping with the Northern Ireland Office's Equal Opportunities Policy Statement, everyone in the Parades Commission has the right of opportunity and to a good and harmonious working environment and atmosphere in which all staff are encouraged to apply their diverse talents and in which no member of staff feels under threat or intimidation.

EMPLOYEE INVOLVEMENT

The maintenance of a highly skilled workforce is key to the future of the business. The Parades Commission is committed to, and complies with the policies of equal opportunity and responsibility for employee and career development of all staff.

The Parades Commission recognises the benefits of keeping employees informed of the progress of the business and of involving them in the Commission's performance. During the year the employees were regularly provided with information regarding the financial and economic factors affecting the performance of the Commission and on other matters of concern to them, as employees, through notices and regular staff meetings.

HEALTH AND SAFETY

The Parades Commission recognises its legal responsibilities in relation to the health and safety of its staff and is committed to operating an effective health and safety regime. In line with this commitment the Commission has complied with the relevant legislation.

MANAGING ATTENDANCE

The Parades Commission is comprised of seconded civil servants and manages attendance in line with the policies of secondees' parent departments. Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately four days per employee in 2011-12.

SUSTAINABLE DEVELOPMENT

A full sustainable development report is not produced as the Parades Commission's staff complement is below the threshold (250 employees). As a sponsored body of the Northern Ireland Office, the Parades Commission is signed up to the Carbon Reduction Energy Efficiency Scheme run by the Department of Energy and Climate Change. The aim of the scheme is to lower national carbon emissions by encouraging Departments and businesses to become more energy-efficient through energy saving projects.

The Commission has a recycling policy that involves the recycling of dry office waste, recycling of print cartridges and the ordering of recycled photocopying paper.

CORPORATE SOCIAL RESPONSIBILITY

The Parades Commission, as part of its commitment to making a positive impact in the local community, previously provided the services of Secretariat members to work on a garden and outdoor renovation project at Parkview Special School, Lisburn. This included identifying and negotiating with a local business partner for additional support through the free provision of supplies in order to carry out the project. It is the intention of the Secretariat to re-visit the school following discussion as to where a further contribution of efforts would be most productive.

CORPORATE GOVERNANCE

The Commission is committed to maintaining a high standard of corporate governance. The Accounting Officer and Chair of the Commission provide strategic leadership and ensure the effective and efficient management of resources. All Commissioners are familiar with, and abide by the requirements set out in the Commission's Code of Conduct. A robust risk management framework is maintained and reviewed regularly.

AUDIT COMMITTEE

The Audit Committee is charged with ensuring that the Commission and Accounting Officer have the necessary assurance they require on risk management, governance and internal control. The Commission's Audit Committee met formally three times in 2011-12. The current Committee is chaired by rotation and comprises the following members: Douglas Bain, Catriona King and Brian Kennaway (who replaced Frances Nolan on the Committee with effect from 1st January 2012).

RISK MANAGEMENT AND REGISTER

Within the executive processes of the Parades Commission, there is now embedded a corporate Risk Register in line with Government guidance. Risks are identified, assessed in terms of regularity of occurrence and impact, and then ranked in terms of priority.

The Risk Register is kept under constant review and updated by Senior Management as necessary. Senior Management consider signs or warnings of risks altering, examine existing controls to reduce or manage risks and, if necessary, take additional action.

PRINCIPAL RISKS

The principal risk identified is anything that would prevent the Commission from discharging its statutory duties in respect of notified processions and related protests. The highest ranking risks relate to our infrastructure, including maintenance of IT and protection of our information.

INFORMATION ASSURANCE

The Commission is committed to safeguarding personal data it holds and follows the Information Assurance policies of the Northern Ireland Office, as its parent Department. Risks in this area are recorded in the Commission's Risk Register, and the Commission receives regular reports on measures to minimize the likelihood of occurrence of these and other risks. No personal data related incidents were reported during 2011-12.

REGISTER OF INTERESTS

Commission members and Secretariat staff are required to provide information of personal or business interests that might be perceived by a reasonable member of the public to influence their judgement in the exercise of their public duty.

The Parades Commission maintains a register of interests which is available for public inspection.

AUDIT

The Comptroller and Auditor General has been appointed under section 12 (4) of Schedule 1 to the Public Processions (Northern Ireland) Act 1998 to examine these accounts and report on the audit examination. The total fee of £13,000 in 2011-12 (2010-11: £12,750) relates to the provision of statutory audit services. He has not provided any other services to the Commission during the year.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information. "Relevant audit information" means information needed by the entity's auditor in connection with preparing the audit report.

Management Commentary

ORGANISATIONAL OVERVIEW

The Parades Commission was established on 27th March 1997, initially as a non-statutory body. The Public Processions (Northern Ireland) Act 1998, amended by the Public Processions (Amendment) Northern Ireland Order 2005, gives the Commission statutory responsibilities in relation to public processions and related protests.

The Parades Commission operates from a single site in Belfast city centre. Contact details are as follows:

Parades Commission
12th Floor
9-15 Bedford Street
Belfast
BT2 7EL
Telephone: 028 9089 5900
Fax: 028 9032 2988
E-mail: info@paradescommission.org
Web: www.paradescommission.org

The Secretary, Mr Anthony Carleton, is responsible for the effective operation of the Parades Commission Secretariat and for managing its financial and manpower resources. He has also been appointed as Accounting Officer.

The Parades Commission secretariat is responsible for providing advice and support to the Chairman and Commissioners in support of their aims and objectives, and in undertaking their statutory responsibilities. The Parades Commission had an average of 10 staff in post over the year. The Commission also made use of services provided by external professionals such as authorised officers, media advisors, auditors and accountants. In addition the Commission also has access to the invaluable services provided by its team of volunteer monitors who have provided their time and expertise to provide independent observation reports on public processions and protests.

The Commission's statutory role is set out in the Public Processions (Northern Ireland) Act 1998. Section 2 (1) of that legislation provides that:

"IT SHALL BE THE DUTY OF THE COMMISSION:

- (a) to promote greater understanding by the general public of issues concerning public processions;
- (b) to promote and facilitate mediation as a means of resolving disputes concerning public processions;
- (c) to keep itself generally informed as to the conduct of public processions and protest meetings;
- (d) to keep under review, and make such recommendations as it thinks fit to the Secretary of State, concerning the operation of the Act-

AND SECTION 2 (2) PROVIDES THAT:

"The Commission may in accordance with the provisions of this Act:

- (a) facilitate mediation between parties to particular disputes concerning proposed public processions and take such other steps as appear to the Commission to be appropriate for resolving disputes;
- (b) issue determinations in respect of particular proposed public processions."

REVIEW OF ACTIVITIES

The Parades Commission received notification of 4,182 parades in the year from 1st April 2011 to 31st March 2012. Only 213 of those required detailed consideration by the Commission and of those only 146 required the imposition of conditions, including on the proposed route. In making its decisions the Commission faced the difficult task of upholding the rights of not just one group, but also of seeking to balance the conflicting rights of different groups within the statutory criteria laid down in the legislation. It approached each of these contentious parades independently and fairly, and it remains steadfastly committed to this approach in working with all those involved in the parades issue. The Commission members have stated that their overall objective is to help bring about a situation in which parades can take place peacefully in an atmosphere of mutual respect.

Parading Statistics

FIG 1. Total no. of Parades



FIG 2. Total no. of Contentious Parades

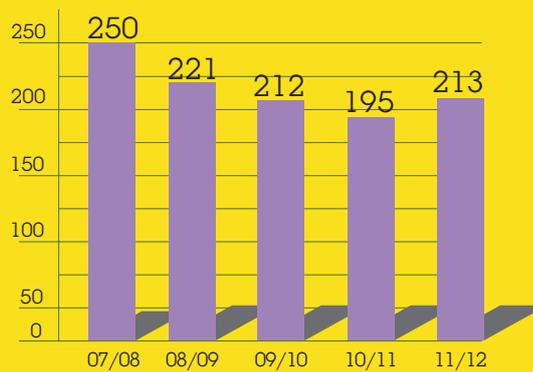


FIG 3. Restrictions on Contentious Parades



FIG 4. Breakdown of 11/12 Parades

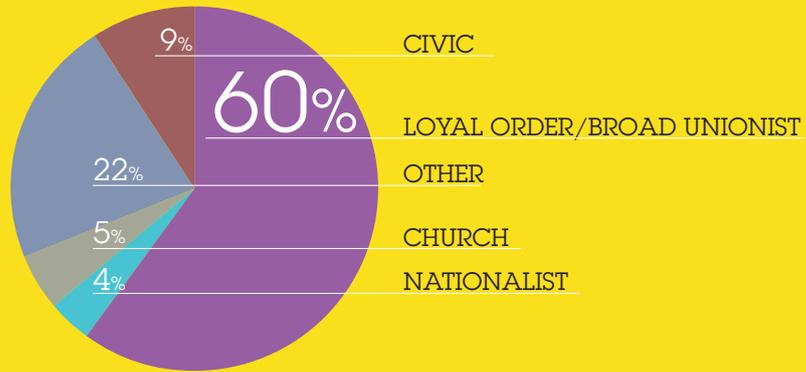


FIG 5. Breakdown of Loyalist/Unionist parades

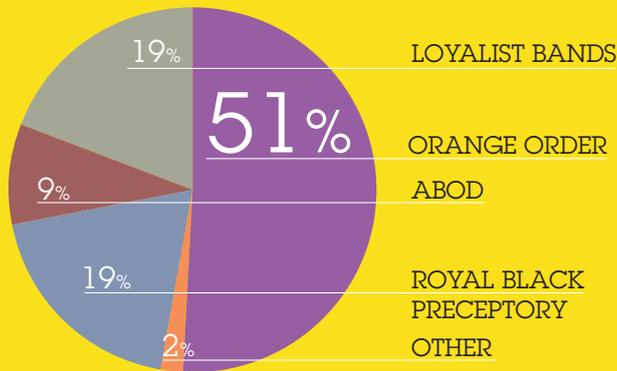
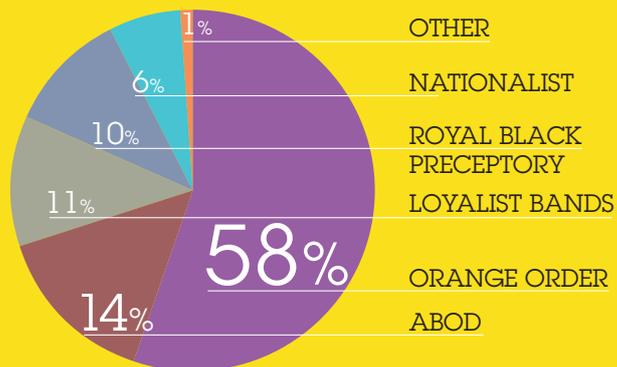


FIG 6. Total Contentious Parades by Type



TOTAL PARADES NOTIFIED

The 2011-12 parading season witnessed a slight increase in the overall number of parades from the previous year (4,182 in comparison to 3,962) with a similar breakdown of parade types.

The current legislation requires that all public processions, with the exception of funerals and Salvation Army organised parades, are notified to the police at least 28 days before the date of the parade. The notifications are then passed on to the Parades Commission.

TOTAL PARADES BY TYPE

The number (2,493) of parades organised by the Loyal Orders and broad Unionist tradition represents 60% of the overall total. This is a slight decrease from the previous year's figure (2,629), which accounted for 66% of the overall total. The number (158) of parades organised by Nationalist groups increased from the previous year (123) but remains very low at 4% of the overall total. There was a substantial number of "Other" parades and an increase from the previous year (1,531 in comparison to 1,210). This category includes charity, civic, rural and sporting events, as well as church parades. Collectively, these now make up 36% of the overall total number of parades (31% in 2010-11).

TOTAL CONTENTIOUS PARADES

The number of parades deemed to be contentious rose from 195 in 2010-11 to 213 in 2011-12.

However, this represents just 5% of the total number of parades notified, which is the same percentage for the previous year. Some 31% of the parades deemed to be contentious related to the notifications by the Portadown LOL District No. 1 in respect of the Garvaghy Road. Contentious parades are those that are considered as having the potential of raising concerns and community tensions, and which consequently are considered in more detail by the Parades Commission.

CONTENTIOUS PARADES BY TYPE

The vast majority of contentious parades continued to be from the broad Unionist tradition, which accounted for 93%, up slightly from 2010-11. The proportion of contentious Nationalist parades fell to 6%. Other parades accounted for c.1% of the total.

BREAKDOWN OF RESTRICTIONS

The proportion of contentious parades and parade-related protests on which the Commission placed restrictions was 69%, a 6% reduction from the figure for the previous year (75%). The most common restriction was on the route of a contentious parade, which applied in 52% of those parades. The remainder of restrictions related to size and timing of a parade or protest, type of music to be played, behaviour and dress code.

FUNDING

The Commission is financed through the Northern Ireland Office. Its budget is set with-agreement of the Secretary of State for Northern Ireland. The Account below relates to the year ending on 31st March 2012.

RESULTS FOR THE YEAR

Net expenditure for the year was £957,738 (2010-11: £1,021,633). The Commission has met its key financial target of managing its workload in 2011-12 within a running costs budget (to cover salaries and administrative expenditure) to financial limits agreed with the Northern Ireland Office (including in-year adjustments).

The Commission Secretariat ("the Secretariat") is responsible for providing advice and support to the Chairman and Commissioners in support of their aims and objectives, and in undertaking their statutory responsibilities.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement of property, plant and equipment are detailed in note 6 to the accounts.

PENSION LIABILITIES

Details of how pension liabilities are treated can be found in Accounting Policy note 1.7. Additionally, further details in respect of pensions can be found in the Remuneration Report.

PROMPT PAYMENT

The Parades Commission is committed to the prompt payment of bills for goods and services received in accordance with the code of practice launched by the Department for Business, Innovation and Skills in December 2008 to help increase the speed of payments between customers and their suppliers. During the financial year ended 31st March 2012 the Parades Commission achieved 98% of payments to suppliers within 10 working days (2010-11: 98%).

EVENTS AFTER THE REPORTING DATE

None.

FUTURE DEVELOPMENTS

The Commission has arranged a series of six public meetings across Northern Ireland in April 2012 to facilitate an exchange of views on parading issues and to help inform the Commission on possible changes in the way it goes about its work. Among the local stakeholders in attendance will be politicians from across all main parties, residents groups and representatives from parading organisations, including all of the Loyal Orders.

Later in 2012-13 the Commission will be consulting with the public on improvements which could be made to the work of the Commission. This will include a number of workshops with participants involved in community relations, parading and conflict resolution. Thereafter the Chairman will write to the Secretary of State to make recommendations on any possible improvements to the way in which the Commission does its business.

GOING CONCERN

The statement of financial position as at 31st March 2012 shows net liabilities of £86,208 (2010-11: £70,849). This reflects the inclusion of liabilities falling due in future years.

Deficit funding for 2011-12, taking into account the amounts required to meet the Commission's liabilities falling due in that year, has already been included in the Department's estimates for that year, which has been approved by Parliament. There is no reason to believe that the Department's future sponsorship and future parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.



Remuneration Report

REMUNERATION POLICY

The remuneration of the Chairman and Commissioners is determined by the Secretary of State for Northern Ireland.

The remuneration framework for senior civil servants such as the Accounting Officer is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving public services, including the requirement on Departments to meet the output targets for the delivery of departmental services;
- the funds available to Departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of evidence it receives about wider economic considerations and the affordability of its recommendations.

The remuneration of all senior civil servants is entirely performance-related. Performance is appraised by line managers in respect of achievement of agreed objectives.

Further information about the work of the Review Body can be found at www.ome.uk.com.

SERVICE CONTRACTS

Civil Service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Policy relating to notice periods and termination payments is contained in the Northern Ireland Civil Service (NICS) Staff Handbook. Further information about the Civil Service Commissioners can be found at www.nicscommissioners.org

Details of salaries and allowances paid, benefits in kind and accrued pension entitlement are shown below.

COMMISSIONERS' NUMBERS AND COSTS

The total emoluments of the Commissioners (including the Chairman) during the year ended 31st March 2012 amounted to £208,164 (2010-11: £160,090) and the expenses incurred by the Commission were £31,690 (2010-11: £44,006). The total remuneration of the Chairman during the same period was £53,142, (2010-11: £57,216). Both the Chairman and Commissioners are non-Northern Ireland Civil Service, therefore, they are not pensionable. The salary entitlement of the Chairman and Commissioners for 2011-12 was as follows:

AUDITED

The following members commenced membership of the Commission on 01/01/11. The term of office is for three years until 31st December 2013.*

Commission Member	Salary Range (£k)	
	2011-12	2010-11
Mr Peter Osborne (Chairman)	50-55	10-15
Mr Douglas Bain	20-25	5-10
Mrs Delia Close	20-25	5-10
Rev Brian Kennaway	20-25	5-10
Dr Catriona King	20-25	5-10
Mrs Frances Nolan	20-25	5-10
Mr Robin Percival	20-25	0-5

* The Chair and members are paid on a per diem basis at the rates of £500 and £250 respectively. The amount of time that Commissioners are expected to devote to Commission business, over the course of a year, is an average of approximately two days per week with a proportionately greater commitment required during the summer months.

AUDITED

Commission Member	Salary Range (£k)	
	2011-12	2010-11
Mr Ronnie Pedlow, Secretary **	30-35 (FYE 55-60)	55-60
Mr Michael Boyle, Deputy Secretary	55-60	50-55
Mr Anthony Carleton, Secretary ***	15-20 (FYE 65-70)	Nil
Band of Highest Paid Director's Total Remuneration	65-70	55-60
Median Total Remuneration	£38,825	£37,575
Ratio	1.74	1.53

** Mr Ronnie Pedlow ceased employment on 23/09/11.

*** Mr Anthony Carleton commenced employment on 13/12/11.

There were no bonuses paid in 2011-12 (2010-11: Nil).

Reporting bodies are required to disclose the relationship between the remuneration of the most highly-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the most-highly paid Director in the Parades Commission in the financial year 2011-12 was £65-70k (2010-11: £55-60k). This was 1.74 times (2010-11: 1.53 times) the median remuneration of the workforce, which was £38,825 (2010-11: £37,575). The increase from 1.53 to 1.74 is mainly due to the increase in the highest paid director band from 55-60 (Mr Ronnie Pedlow) to 65-70 (Mr Anthony Carleton). The median salary of £38,825 is high due to the high proportion (39%) of commissioners to other staff. Commissioners' salaries

have been calculated pro-rata to full-time equivalent rates for the purposes of the median calculation.

In 2011-12 and 2010-11 no employee received remuneration in excess of the highest-paid director. Remuneration ranged from £13,524 to £109,000 (2010-11: £13,524 to £109,000). This upper range of £109,000 is a full-time equivalent figure based on the Chairman's per diems rate of £500; the actual payments to the Chairman for the year ended 31st March 2012 were £53,142.

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

	Real increase in pension at pension age and lump sum	Total accrued pension at pension age at 31/03/11 and related lump sum	Cash Equivalent Transfer Value at 31/03/10	Cash Equivalent Transfer Value at 31/03/11	Real increase in Cash Equivalent Transfer Value
	£k	£k	£k	£k	£k
Ronnie Pedlow	(0-2.5) plus lump sum of (0-2.5)	25-30 plus lump sum of 75-80	514@	537	(6) *
Michael Boyle	0-2.5 plus lump sum of 0-2.5	20-25 plus lump sum of 40-45	262@	286	1
Anthony Carleton	(0-2.5) plus lump sum of (0-2.5)	20-25 plus lump sum of 70-75	387	403	(2) *

@ The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31/03/11 and 31/03/12 have both been calculated using the new factors for consistency. The CETV at 31/03/11, therefore, differs from the

corresponding figure in last year's report, which was calculated using the previous factors.

* Taking account of inflation, the CETV funded by the employer has decreased in real terms.

SALARY

This report is based on accrued payments made by the Commission and thus recorded in these accounts. "Salary" includes gross salary; overtime; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation.

PENSION

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

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable

salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

BENEFITS IN KIND

There were no benefits in kind paid during 2011-12 (2010-11: £2k).

A CARLETON

Secretary and Accounting Officer

Statement of Accounting Officer's Responsibilities



Under paragraph 12(1) and para (2) of Schedule 1 to the Public Processions (Northern Ireland) 1998 Act, the Secretary of State (with the consent of HM Treasury and Northern Ireland Office) has directed the Parades Commission for Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Parades Commission for Northern Ireland and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Northern Ireland Office on behalf of the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, as set out in the Government Financial Reporting Manual, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Secretary as the Accounting Officer for the Parades Commission for Northern Ireland. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Parades Commission for Northern Ireland's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in Managing Public Money.

Governance Statement

THE PARADES COMMISSION

The Parades Commission is an independent executive Non Departmental Public Body sponsored by the Northern Ireland Office (NIO) which was created on 27th March 1997. It was given statutory responsibilities on 16th February 1998 by the commencement of the Public Processions (Northern Ireland) Act 1998.

The Commission consists of seven Commissioners including its Chairman. It is supported by a Secretariat which is headed by a Secretary and has 10 members of staff. The Commission normally meets on a weekly basis and its approval is required for any significant changes relating to the operation of the Commission. The Commission also has an Audit and Risk Committee which meets formally on a quarterly basis, or more frequently as required, to assist and advise the Accounting Officer on his governance responsibilities. Any recommendations made by the Audit and Risk Committee have to be approved by the Commission.

The Secretary and senior management meet with the sponsor division within the NIO on a quarterly basis to discuss corporate issues.

GOVERNANCE FRAMEWORK

The Commission conducts its affairs in accordance with a comprehensive corporate governance framework. Although not part of central Government, the Commission is expected to follow the Corporate Governance Code (*Corporate Governance in Central Government Departments, Code of Good Practice, published by HM Treasury and the Cabinet Office, July 2011*) as far as applicable. The Commission has a comprehensive Management Statement and Financial Memorandum (MSFM) agreed with the NIO which sets down its values and principles, and lines of accountability. This framework document is discussed informally with the sponsor division quarterly and reviewed formally every four years.

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the Parades Commission for Northern Ireland's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. As such, I am responsible for ensuring propriety and regularity in the handling of those

public funds; and for the day-to-day operations and management of the Commission.

COMMISSION'S PERFORMANCE

The current Commission continued during its second year to examine critically how it operated and how it might improve its processes. One important test of this is the performance of the Commission as an organisation. On 31st January and 1st February 2012 the Commission met specifically to review future strategy and lessons learnt from the first year of operation. Issues included extending the Commission's outreach programme and improving its communications. Discussion also focused on building an even stronger sense of unity and teamwork between Commissioners, the Accounting Officer and staff. The Commission reviews its own performance annually to ensure that the Commission is acting effectively.

This year the Commission conducted a self appraisal process for the first time using the National Audit Office template. The Commissioners' responses to the questionnaire indicated that the Commission had achieved much in its first year while also helping to focus on those priority areas requiring attention. These included the need to develop a more robust and strategic approach to the reporting of performance, budget and risk management, and to develop regular and open communication with the sponsor department. These issues in particular will be addressed over the next financial year. It was also agreed to tailor the questionnaire in advance of completion next time so that it more accurately focused on the work of this particular type of Commission.

Each Commissioner has an annual discussion and formal appraisal with the Chairman which cover their contribution to the remit of the Commission including their outreach work. The Commission does not lead on the governance statement, which is written by the Accounting Officer, reviewed by the Audit and Risk Committee, and cleared by Commission before publication.

FINANCIAL MANAGEMENT

Although the Secretariat does include a professionally qualified accountant, it relies on the services of a contracted accountant for the preparation of the annual account and for professional input as required. In line with the Comprehensive Spending Review the

Commission's budget allocation for 2011-12 was £988,000, a 14.5% reduction from the previous year. This was the first year of a four-year cycle to 2014-15 by which time the Commission is required to have achieved a cumulative efficiency saving of 25% from its baseline budget in 2010-11. The Commission achieved its savings target for 2011-12 and a further efficiency saving for the 2012-13 financial year has been agreed with the sponsor department, reducing the budget to £950,000.

MANAGEMENT OF RISK

The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Risks are managed on an ongoing basis in a process that is designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Parades Commission for Northern Ireland for the year ended 31st March 2012 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. The system is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Secretary to the Commission;
- regular reviews of periodic and annual financial reports which indicate financial performance; and
- as appropriate, formal project management disciplines.

Throughout the year the Commission had a risk register in place that has been assessed and considered at senior management level. The register had been scrutinised, discussed and ratified at both the Audit and Risk Committee and the Commission on a regular basis.

The Commission operates a "traffic light" corporate risk register in line with Government guidance.

The Commission revised its corporate risk register based on the NHS matrix template, which rationalised the overall number of risks. The register was kept under constant review, with a formal quarterly review, and updated by senior management as necessary. Risks were identified, assessed in terms of likelihood of occurrence and impact and degree of risk. Senior management considered signs of risks changing, examined existing risk control tools and, if necessary, took remedial action.

The Commission's risks were identified by the Commissioners, by me, as Accounting Officer, and by my senior management team and they were ratified by the Audit and Risk Committee and the Commission. The risks have been ranked according to 'Likelihood', 'Impact' and 'Severity?' We have also assessed what actions are in place, or need to be taken, to mitigate the organisational risks identified.

During the course of the year our main risks were reputational and risks to our infrastructure, including maintenance of IT and protection of our information.

On-going operational risks are managed as follows:

- As an on-going process any risk is identified, evaluated and controlled by me and my senior management team and following advice from the Audit Committee;
- Any changes to the assessment and evaluation of risk noted by the Audit and Risk Committee and ratified by the full Commission;
- And the full Commission's lead on determining and evaluating the Commission's risks.

These risks are communicated to staff by management, at monthly Secretariat meetings and in the risk register.

AUDIT COMMITTEE

The Audit Committee supports the Accounting Officer and the Commission in their responsibilities for issues of risk control and governance by reviewing whether proportionate assurances for meeting the Commission's and Accounting Officer's responsibilities are available and by testing the reliability and integrity of these



assurances. This includes oversight of the effective operation and impact of the MSFM and the Commission's business planning process. The Audit Committee is comprised of three Commissioners and is attended by the Accounting Officer, the internal auditors, the National Audit Office as the external auditors and the sponsor department. The Committee meets every three months and more frequently as required. In addition to providing all Commissioners with a copy of the minutes of meetings of the Committee, the Chair of the Audit Committee briefs the Commission after each meeting.

During 2011-12 the following Commissioners were members of the Committee:

Mr Douglas Bain

Rev Brian Kennarway (from 1st Jan 2012)

Dr Catriona King

Mrs Frances Nolan (1st April-31st Dec 2011)

The Audit Committee, over the course of the year, intensified its role in reviewing the

comprehensiveness of assurances, risk processes and the integrity of financial reports to be able to provide assurance on same to the Commission. The Committee also paid due attention to the performance of internal and external audit and the nature of the management team's response to issues identified by audit activity. The Committee resolved to adopt a more structured approach to its work with standing agenda items at all meetings and specified additional items at particular meetings. Whilst the overall list of items was based on the core work programme set out in the National Audit Office's 'Audit Committee Handbook', the time of year at which certain items had to be considered had to be fixed to take account of the seasonal nature of the Commission's work. The list included a structured written report from the Accounting Officer.

In late 2011 the Committee assessed its effectiveness using the National Audit Office tool kit. In addition to the two minor changes to its Terms of Reference, the exercise identified the need for 'education' of other Commissioners on the role of the Committee, a more structured training and development for new Committee

members and a review of the Commission's whistleblowing and fraud policies. In addition, the absence of meetings with the Chair of the sponsor department's Audit and Risk Committee was noted. Based on the outcome of the 2011 exercise, and having regard to the views expressed by the Accounting Officer, the Internal Auditors and the External Auditors, Committee was satisfied with its overall effectiveness.

THE RISK AND CONTROL FRAMEWORK

The Commission has relied upon the services provided by ASM Internal Audit Unit which operates to standards defined in the Government Internal Audit Manual. The work of the Internal Auditor is informed by an analysis of the risk to which the Commission is exposed, and annual internal audit plans are based on this analysis. As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

INTERNAL AUDIT AND INFORMATION ASSURANCE

Throughout the year ASM acted as internal auditors to the Parades Commission, having been appointed on a three-year term with effect from 1st April 2008, which was extended until April 2013 under the provisions of the contract. The services provided by ASM operate to standards defined in the Government Internal Audit Manual and are informed by an analysis of the risk to which the Commission is exposed, with annual internal audit plans being based on this analysis.

The internal audit fieldwork was undertaken during November 2011 on two areas of work identified and agreed in advance with the Audit Committee as part of the Strategic Internal Audit Plan: Management of Parades and Parading Issues; and IT, Physical and Data Security. The

Annual Internal Audit Assurance Report reflected that the Commission's systems in relation to risk management, control and governance were, on balance, adequate and operating effectively, thereby providing satisfactory assurances in relation to the effective and efficient achievement of the Commission's objectives.

Management of parades and parading issues received a satisfactory assurance rating, with four minor recommendations made in relation to operational procedures, including the timely submission of pre-parade reports and in respect of the input and review of parade notifications received.

IT, Physical and Data Security received only a limited assurance rating with a number of significant control issues being identified. These included the need for the Commission formally to review the suite of NIO IT related procedures and seek to tailor these specifically to the requirements of the Commission; the need for the Commission to establish a Business Continuity and IT Disaster Recovery Plan and for management to develop a data protection policy; and the need for the Commission to undertake to tender formally the provision of its IT services as soon as possible.

EXTERNAL AUDIT

In its report to those charged with Governance for 2010-11, the National Audit Office did not identify any material weaknesses in the system of internal control but made a small number of recommendations, three of which were assigned priority rating 1 with the remainder assigned priority rating 2. The priority rating 1 issues related to maintenance of the general ledger, the need to resolve a HMRC potential Employer's National Insurance contribution and the need for robust audit trails to support the annual accounts. The National Audit Office was satisfied with management's response to its recommendations.

Significant internal control issues

For the period of 2011-12, I am able to report that there were no significant weaknesses in the Commission's system of internal controls which affected the achievement of the Commission's key policies, aims and objectives.

A CARLETON

Secretary and Accounting Officer



The Certificate and Report of the Comptroller and Auditor General to the Houses Of Parliament

I certify that I have audited the financial statements of the Parades Commission for Northern Ireland for the year ended 31st March 2012 under the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

RESPECTIVE RESPONSIBILITIES OF THE COMMISSION, SECRETARY AND AUDITOR

As explained more fully in the Statement of Secretary's Responsibilities, the Commission and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Public Processions (Northern Ireland) Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require my staff and I to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Parades Commission for Northern Ireland's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the Parades Commission for Northern Ireland and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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



OPINION ON REGULARITY

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

OPINION ON FINANCIAL STATEMENTS

In my opinion:

- the financial statements give a true and fair view of the state of the Parades Commission for Northern Ireland's affairs as at 31st March 2012 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 and Secretary of State directions issued thereunder.

OPINION ON OTHER MATTERS

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Public Processions (Northern Ireland) Act 1998; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH I REPORT BY EXCEPTION

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or

- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

REPORT

I have no observations to make on these financial statements.

AMYAS C E MORSE **DATE** 14 / 12 / 12

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



Financial Statements

STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31st MARCH 2012

		2011-12	2010-11
	Notes	£	£
Expenditure			
Staff costs	2	651,931	664,331
Other Expenditure	4	289,121	291,406
Depreciation & Amortisation	6,7	6,192	8,221
Loss on disposal of Non-Current Assets	6	-	303
Notional Charges		7,369	57,372
Net Expenditure		954,613	1,021,633
Interest Payable	4	3,125	-
Net Expenditure after Interest		957,738	1,021,633
Other Comprehensive Expenditure			
Net (gain)/loss on the revaluation of Property, plant and equipment,	6	31	903
Net (gain)/loss on the revaluation of Intangible Assets	7	(9)	-
Total Comprehensive Expenditure for the year ended 31st March 2012		957,760	1,022,536

The above expenditure is derived from continuing operations.

The notes on pages 29-38 form part of these accounts.

Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2012

		2012		2011	
	Notes	£	£	£	£
Non-current assets:					
Property, plant and equipment	6		19,955		23,082
Intangible assets	7		<u>3,414</u>		<u>4,277</u>
Total non-current assets			23,369		27,359
Current assets:					
Trade and other receivables	9		11,236		15,860
Cash and cash equivalents	10		<u>100</u>		<u>100</u>
Total current assets			<u>11,336</u>		<u>15,960</u>
Total assets			<u>34,705</u>		<u>43,319</u>
Current liabilities:					
Trade and other payables	11		<u>(120,913)</u>		<u>(114,168)</u>
Total current liabilities			<u>(86,208)</u>		<u>(114,168)</u>
Non current assets less net current liabilities			<u>(86,208)</u>		<u>(70,849)</u>
Non-current liabilities:					
Other Payables	11		<u>-</u>		<u>-</u>
Assets less liabilities		-	<u>(86,208)</u>		<u>(70,849)</u>
Taxpayers' equity					
Revaluation Reserve			5,275		5,253
I&E Reserve			<u>(91,483)</u>		<u>(76,102)</u>
		-	<u>(86,208)</u>		<u>(70,849)</u>

The financial statements on pages 25-28 were approved by the Commission and were signed on its behalf by:

A Carleton

Accounting Officer

Date 10 / 12 / 12

The notes on pages 29-38 form part of these accounts.

Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2011

	Notes	2011-12 £	2010-11 £
Cash flows from operating activities			
Net Deficit after interest		(957,738)	(1,021,633)
Adjust for notional charges	4	7,369	57,372
Adjust for Loss on disposal of Non Current Assets (Increase) / decrease in trade and other receivables	4 9	- 4,624	303 (3,294)
Less movements in receivables relating to items not passing through the Net Expenditure account			
Increase / (decrease) in trade payables	11	6,745	47,130
Less movements in payables relating to items not passing through the Net Expenditure account			
Depreciation & Amortisation	4	6,192	8,221
Permanent Diminution	4	-	-
Net cash outflow from operating activities		(917,397)	(927,312)
Cash flows from investing activities			
Purchase of property, plant and equipment		(13,314)	-
Purchase of intangible assets		(4,277)	-
Net cash outflow from investment activities		(17,591)	-
Cash flows from financing activities			
Funding from Parent Department		934,988	927,317
Net cash inflow from financing activities		934,988	927,317
Net increase in cash and cash equivalents in the period	10	-	5
Cash and cash equivalents at the beginning of the period	10	100	95
Cash and cash equivalents at the end of the period	10	100	100

The notes on pages 29-38 form part of these accounts.

Financial Statements

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31st MARCH 2012

	Notes	I&E Reserve £	Revaluation Reserve £	Total Reserve £
Balance at 31st March 2010		(39,158)	6,156	(33,002)
Changes in taxpayers' equity for 2010-11				
Net gain/(loss) on revaluation of property, plant and equipment		-	(903)	(903)
Net gain/(loss) on revaluation of intangible assets		-	-	-
Comprehensive Expenditure for the year		(1,021,633)	-	(1,021,633)
Notional Charges		57,372	-	57,372
Funding from Parent		927,317	-	927,317
Balance at 31st March 2011		(76,102)	5,253	(70,849)
Changes in Taxpayers' equity for 2011-12				
Net loss on revaluation of property, plant and equipment		-	31	31
Net loss on revaluation of intangible assets		-	(9)	(9)
Comprehensive Expenditure for the year		(957,738)	-	(957,738)
Notional charges	5	7,369	-	7,369
Funding from Parent		934,988	-	934,988
Balance at 31st March 2012		(91,483)	5,275	(86,208)

The element of the closing revaluation reserve relating to intangibles is Nil.

The notes on pages 29-38 form part of these accounts.

Financial Statements

NOTES TO THE PARADES COMMISSION'S ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2012

1. Statement of accounting policies

The Financial statements have been prepared in accordance with the 2011-12 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Parades Commission for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Parades Commission for Northern Ireland for the year ending 31st March 2012 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

The accounts have been prepared in accordance with the historical cost convention, modified by the revaluation of non-current assets.

The accounts comply with the accounting standards issued or adopted by the Accounting Standards Board, FReM and accounting and disclosure requirements issued by the Treasury, insofar as those requirements are appropriate.

1.2 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) - Depreciation of property, plant and equipment

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the useful lives are as shown in Note 1.4.

(ii) - Impairment of property, plant and equipment

Where there is an indication that the carrying value of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset.

Financial Statements

1.3 Funding

The Parades Commission is funded directly from expenditure voted by Parliament to the Northern Ireland Office.

1.4 Property, plant and equipment and depreciation

Expenditure on property, plant and equipment of £1,000 or more is capitalised. On initial recognition, separate component assets are identified and are measured at cost including any costs such as installation directly attributable to bringing them into working condition. Owned assets are subsequently re-valued annually using appropriate indices compiled by the Office for National Statistics.

All non-property operational assets are measured at cost and are subsequently re-valued annually using appropriate indices compiled by the Office for National Statistics.

Depreciation is provided on a straight line basis at rates calculated to write-off the cost less estimated residual value of each asset over its expected useful life. The estimated useful lives for depreciation purposes are:

Computer hardware	5 years
Computer servers	5 years
Computer software	5 years
Furniture & equipment	15 years
Leasehold Improvements	4 Years

1.5 Intangible Assets

Identifiable intangible assets are recognised when the Commission controls the asset, it is probable that future economic benefits attributable to the asset will flow to the Commission and the cost of the assets can be reliably measured.

The Commission's intangible assets consist of software licences where expenditure is £1,000 or more. The assets are amortised over the life of the licence (typically five years). Amortisation is provided on a straight line basis. Intangible assets are revalued annually using appropriate indices compiled by the Office for National Statistics.

1.6 Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Financial Statements

1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) and the Principal Civil Service Pension Schemes (NI) (PCSPS (NI)) which are described in Note 3. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS and PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and PCSPS (NI). In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

1.8 Value Added Tax

The Commission does not have any income which is subject to Output VAT. The Commission recovers input VAT on contracted out services.

1.9 Staff Costs

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end.

1.10 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31st March 2012

The Parades Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2011-12 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the Commission's financial position or results.

1.11 Impending application of newly issued accounting standards not yet effective

The Parades Commission has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that any Standards or Interpretations that have been issued by the International Accounting Standards Board, but have not been adopted, will have a material impact on the financial statements.

1.12 Segmental Reporting

All the activities carried out by the Parades Commission relate to a single business and are reported internally on this basis.

1.13 Notional Costs

The Crown Solicitor's Office provides legal services to the Parades Commission. There is no payment made for these services as both parties derive their budgets from the Northern Ireland Office Vote, but the cost of services provided are notionally charged through the Statement of Comprehensive Net Expenditure.

Financial Statements

2. STAFF NUMBERS AND RELATED COSTS

STAFF COSTS COMPRISE:

	2011-12 Total	Seconded staff	Agency staff	2010-11 Total Restated
	£	£	£	£
Wages & Salaries	539,419	502,590	36,829	553,582
Social security costs	50,847	45,858	4,989	47,813
Other pension costs	61,665	61,665	-	62,936
Sub Total	651,931	610,113	41,818	664,331
Less recoveries in respect of outward secondments	-	-	-	-
Total net costs	651,931	610,113	41,818	664,331

The Principal Civil Service Pension Scheme (PCSPS) and PCSPS (NI) are unfunded multi-employer defined benefit schemes, but the Parades Commission is unable to identify its share of the underlying assets and liabilities. Full actuarial valuations of both the PCSPS and PCSPS (NI) were carried out as at 31st March 2007. Details of the PCSPS can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

For 2011/12, total employers' contributions of £61,665 (2010/11: £62,936) were payable to the PCSPS (NI) and PCSPS at rates in the range 16.7% to 24.3% of pensionable pay for PCSPS and 18% to 25% per cent of pensionable pay for PCSPS (NI), based on salary bands. The PCSPS and PCSPS (NI) schemes actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2011/12 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. The remuneration report on pages 12-15 contains detailed pension information.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £61,665 (2010/11: £62,936) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% (2010/11: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition employer contributions of 0.8% per cent (2010/11: 0.8%) of the individuals pensionable earnings were payable to the PCSPS and to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. No employees of the Commission have opted for a pension partnership account during 2011-12.

Contributions due to the partnership pension providers at the reporting date were £nil, as the contributions are paid over to the pension providers on a monthly basis. Contributions pre-paid at that date were £nil. There were no early retirements on ill-health grounds in 2011-12 or 2010-11. There are no additional accrued pension liabilities in the 2011-12 or 2010-11 years.

Financial Statements

Agency staff costs above include a charge of £12,579 within wages and salaries in respect of Employee National Insurance and PAYE and £4,989 in social security costs for underpayment in previous years of 2003 to 2012 in respect of payments made to monitors.

THE AVERAGE NUMBER OF WHOLE-TIME EQUIVALENT PERSONS EMPLOYED DURING THE YEAR WAS AS FOLLOWS:

	2011-12 Total	Seconded staff	Agency staff	2010-11 Total
Directly employed	10	10	-	10
Other	8	-	8	8
Total	18	10	8	18

3. REPORTING OF CIVIL SERVICE AND OTHER COMPENSATION SCHEMES - EXIT PACKAGES

There were no redundancy or departure costs paid or payable by the Parades Commission in 2011-12 in respect of Civil Service or other compensation schemes. (2010-11: Nil)

4. OTHER EXPENDITURE

	2011-12 £	2010-11 £
Rent and Rates	67,000	64,638
Rentals under operating leases	50,474	55,872
Professional advisors' service	48,767	1,000
Mediation	20,740	8,311
Travel, subsistence & hospitality	17,312	16,376
Telecommunications	14,377	10,338
Computer Maintenance	13,987	11,968
Other Expenditure	13,296	12,750
Auditor's remuneration	12,133	32,644
Advertising & Publications	10,780	20,261
Courier Service	4,316	11,388
Consultants fees	2,690	2,240
Training	249	4,996
	289,121	291,408

5. INCOME

There was no income received in 2011-12 (2010-11 £nil).

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6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Information Technology £	Furniture & Fittings £	Total £
Cost or valuation				
At 1st April 2011	19,790	25,767	21,718	67,275
Additions	-	2,181	-	2,181
Revaluations	-	(29)	93	64
At 31st March 2012	19,790	27,919	21,811	69,520
Depreciation				
At 1st April 2011	19,790	8,620	15,783	44,193
Charged in year	-	4,722	617	5,339
Revaluations	-	-	33	33
At 31st March 2012	19,790	13,342	16,433	49,565
Carrying amount at 31st March 2012	-	14,577	5,378	19,955
Carrying amount at 31st March 2011	-	17,147	5,935	23,082
Asset financing:				
Owned	-	14,577	5,378	19,955
Carrying amount at 31st March 2012	-	14,577	5,378	19,955
	Leasehold improvements £	Information Technology £	Furniture & Fittings £	Total £
Cost or valuation				
At 1st April 2010	19,790	34,089	21,609	75,488
Additions	-	11,134	-	11,134
Disposals	-	(18,111)	-	(18,111)
Revaluations	-	(1,345)	109	(1,236)
At 31st March 2011	19,790	25,767	21,718	67,275
Depreciation				
At 1st April 2010	14,843	24,129	15,141	54,113
Charged in year	4,947	2,663	611	8,221
Disposals	-	(17,808)	-	(17,808)
Revaluations	-	(364)	31	(333)
At 31st March 2011	19,790	8,620	15,783	44,193
Carrying amount at 31st March 2011	-	17,147	5,935	23,082
Carrying amount at 31st March 2010	4,947	9,960	6,468	21,375
Asset financing:				
Owned	-	17,147	5,935	23,082

Financial Statements

7. INTANGIBLE ASSETS

	Software licenses £	Total £
Cost or valuation		
At 1st April 2011	12,153	12,153
Impairments	-	-
Revaluations	(9)	(9)
At 31st March 2012	12,144	12,144
Amortisation		
At 1st April 2011	7,876	7,876
Charged in year	854	854
At 31st March 2012	8,730	8,730
Carrying amount at 31st March 2012	3,414	3,414
Carrying amount at 31st March 2011	4,277	4,277
Asset financing:		
Owned	3,414	3,414
Carrying amount at 31st March 2012	3,414	3,414
Software licenses		
	£	£
Cost or valuation		
At 1st April 2010	7,876	7,876
Additions	4,277	4,277
At 31st March 2011	12,153	12,153
Amortisation		
At 1st April 2010	7,876	7,876
Charged in year	-	-
At 31st March 2011	7,876	7,876
Carrying amount at 31st March 2011	-	-
Carrying amount at 31st March 2010	-	-
Asset financing:		
Owned	4,277	4,277
Carrying amount at 31st March 2012	4,277	4,277

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8. FINANCIAL INSTRUMENTS

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

The Commission has no powers to borrow or invest surplus funds and has limited year-end flexibility. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Commission in undertaking activities

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parades Commission is not exposed to significant credit risk. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the Statement of Financial Position.

Liquidity risk

The Parades Commission resource requirements are financed by the parent Department and are not, therefore, exposed to significant liquidity risks.

Currency risk

Currency risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Parades Commission is not exposed to any currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the Department's financial assets and liabilities carry nil or fixed rates of interest. The Parades Commission is, therefore, not exposed to any interest rate risk.

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9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2011-12	2010-11
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	11,236	15,860
	11,236	15,860

Trade receivables do not include any amount payable to other government bodies (2010-11: £8,305).

10. CASH AND CASH EQUIVALENTS

	2011-12	2010-11
	£	£
Balance at 1st April	100	95
Net change in cash and cash equivalent balances	-	5
Balance at 31st March	100	100

The following balances at 31st March were held at:

Cash in hand	100	100
Balance at 31st March	100	100

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2011-12	2010-11
	£	£
Amounts falling due within one year:		
Trade payables	8,661	29,121
Accruals and deferred income	94,684	85,047
Other taxation and social security	17,568	-
	120,913	114,168

Trade payables include £28,062 payable to other Government bodies (2010-11: £14,000).

12. COMMITMENTS UNDER LEASES

12.1 Operating leases

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

	2011-12	2010-11
	£	£
Buildings		
Not later than one year	41,142	60,489
Later than one year and not later than five years	82,284	-
Later than five years	-	-
	123,426	60,489

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12.2 Finance leases

The Parades Commission has no obligations under finance leases.

13. CAPITAL COMMITMENTS

The Parades Commission does not have any capital commitments.

14. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

The Parades Commission has a contingent liability in respect of employer's national insurance contributions on payments made to Authorised Officers from 2003 to 2010. This liability estimated at £60-70k arises from work carried out in their role as Authorised Officers where their tax status has yet to be determined.

15. RELATED-PARTY TRANSACTIONS

The Parades Commission is an independent statutory body, established by the Public Processions (Northern Ireland) Act 1998, and funded by the Secretary of State through the Northern Ireland Office.

The Northern Ireland Office is regarded as a related party. During the year the Parades Commission has had various material transactions with the Northern Ireland Office including the Crown Solicitor's Office.

In addition the Parades Commission has had a small number of material transactions with the Department of Finance and Personnel.

None of the Parades Commission members, key managerial staff or other related parties has undertaken any material transactions with the Parades Commission during this year.

16. EVENTS AFTER THE REPORTING DATE

There were no events after the Reporting date which required disclosure or adjustment of the Accounts. The accounts were authorised for issue on the same date the Comptroller and Auditor General certified the accounts.



The Commissioners

1st January - 31st March 2011



MR PETER OSBORNE

Peter Osborne runs Rubicon Consulting and has a wealth of experience in the public, voluntary and community sectors. He has experience of working on issues such as good relations, community cohesion, community safety and community support. Peter was previously a member of the Parades Commission from 2000-2005. He was also an elected member of Castlereagh Borough Council. He is a non-executive director of Extern and a Northern Ireland Committee member of the BIG Lottery Fund.



MR DOUGLAS BAIN

Douglas Bain recently retired as Chief Electoral Officer for Northern Ireland. He was called to the Scottish Bar in 1973 and worked there in both the private and public sector before moving to Northern Ireland in 1988. He held a number of posts in the Northern Ireland Office before resigning from the Civil Service in 2006. He was appointed CBE in 2006 for services to the Northern Ireland Prison Service. On 1st February 2012 he was appointed as an Independent member of the Northern Ireland Assembly Commission's Secretariat Audit and Risk Committee. He became a member of the National Security Certificate Appeals Tribunal for Northern Ireland on 25th April 2012.



MRS DELIA CLOSE

Delia Close is a retired teacher who has been involved in conflict transformation in the Ballymena area for many years. She has extensive experience in the voluntary and cross-community sectors. She is an Independent member of the Ballymena District Police Partnership where she has served two terms as vice-chair. She has helped to establish lines of communication between political adversaries at grass-roots level and has been involved in outreach work with bandsmen, youth groups and ethnic minorities.

Delia was an active member of the South Antrim Branch of the Northern Ireland Women's Coalition, serving on a number of policy committees. She has a particular interest in mental health issues, especially in the area of public advocacy; she is currently Chair of the Public Advisory Group in Holywell Hospital. She has been press officer for the Ballymena Festival of Music, Speech and Dance for many years.

Delia is married with two grown-up children.



REV. BRIAN KENNAWAY

Brian Kennaway is an ordained Minister of the Presbyterian Church in Ireland and retired in January 2009. He is a serving member of the Judicial Commission of the Presbyterian Church in Ireland. He has been active in the church, serving on a number of church Committees of the General Assembly. He is the author of a number of books and articles on Orangeism. He is also the President of the Irish Association for Cultural, Economic, and Social Relations.



DR. CATRIONA KING

Dr. Catriona King graduated from Queen's University Belfast completing her medical training in central London and later obtaining an MBA degree and advanced training in Risk and Governance. She has pursued a career in clinical medicine and health service management in various posts in the UK and Europe. These have included the roles of Asst. Chief Executive of an Acute NHS Trust, Honorary Chief Executive of a London Charity, National Director of Service Improvement delivering projects across the UK, and several posts as senior strategy and policy advisor in the UK and Europe as well as an Honorary academic post.

She has worked as a consultant on EU projects, as strategy advisor to the offices of the Secretary of State and Health Ministers (Whitehall) and as a Director in Business Consulting at PWC LLP, and currently holds the appointment of Independent Board Member of the Department of Health, Social Services and Public Safety. She has carried out fund-raising for charity.



MRS FRANCES NOLAN

Frances Nolan, an honours graduate in modern languages from the Ulster University, is a retired Police Officer having spent 32 years in the Service. During much of that time she was involved in the Police Service's commitment to Community Safety. She has also been the District Commander for Dungannon and South Tyrone. She has a real interest in the wellbeing of minority groups and in 2007 received an MBE for her work with the ethnic minority population in her area. She has been involved in the Victims and Survivors Pilot Forum and is a Deputy Lieutenant for County Tyrone.



MR ROBIN PERCIVAL

Robin Percival was born in Widnes, near Liverpool and has lived in Derry/L'Derry for 40 years. After teaching sociology and computing at the local further education college, he became a Head of Department which was subsequently awarded two Centres of Excellence by DEL. Active in the trade union movement and community and human rights groups, he was centrally involved in negotiations between residents and members of the Apprentice Boys of Derry, the Royal Black Preceptory and the Orange Order. Currently a writer, he is working on his second novel.

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