

# Annual Report and Financial Statements Parades Commission for Northern Ireland for the year ended 31st March 2010

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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(Northern Ireland) Act 1998

Ordered by The House of Commons to be printed

6th September 2011



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# Chairman's Report

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Our job in the Parades Commission is to ensure, as far as possible, that parades are a positive feature in this society.

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This Annual Report covers the period 1st April 2009 to 31st March 2010. In that period there were some very significant pressure points around parading, and there were also positive examples of what can be achieved in this most difficult area when people genuinely work towards the collective good of the entire community.

The Parades Commission came into being in 1998 and while there have been a number of personnel changes since then, the values and the principles which underpin our work remain solidly in place. The Commission is absolutely committed to facilitating and supporting dialogue around parades, which it has been shown can lead to the resolution of local disputes and to just and equitable adjudications when agreement is not possible. The Commission makes no apology for putting the need for local dialogue between all involved in parades and parades-related protests at the very centre of the means by which parading disputes can be resolved. It is self evident that genuine dialogue can lead to a de-escalation of parades tension, even where a final outcome cannot be agreed. Indeed there are examples since 2006 where disputes which were previously held to be intractable have been managed in a peaceful manner. Some of those are in the public spotlight while others remain, by their nature, confidential.

We believe that the fact that resolutions or effective parade management have been possible in some locations points up the fact that there is no place in Northern Ireland where dialogue cannot make a positive difference. What works in parts of Derry can work in north Antrim, or in Portadown or parts of Belfast. In fact it is impossible to come up with an example of any location where dialogue between local people and parading organisations has been harmful. Yes, there are examples of dialogue processes which have yet to lead to sustained agreements, but in all cases the act of engaging

has improved the atmosphere and the context in which parades take place. That is an important lesson to bear in mind.

Throughout our tenure we have taken every single contentious parade notification on its own individual merits and considered carefully whether or not the intervention of the Commission is appropriate. There is no question of any parade or protest merely being 'rubber stamped' or given anything less than a full appraisal of all circumstances surrounding the notification. That is another of the principles which has guided our work.

During the parading season 2009/10 we saw civil disturbances around the North Belfast parade on the 13th July which served as a reminder of how difficult these issues used to be on a routine basis. There were similar scenes of violence in the summer which has just passed. The rioting on that occasion made headlines, not just in Northern Ireland, but across Europe and beyond. It projects the kind of image that Northern Ireland can live without and there is no doubt that it is a real disincentive when it comes to promoting the true image of this region. On the other side of this issue is the certainty that parades which take place peacefully, and in the absence of associated protests, are an important element in the make-up of the social and cultural life of Northern Ireland.

Where disputes remain, work is required by all concerned with the issue of parading. The Parades Commission will continue to play our full role. Where parades take place without conflict they can be a force for good in Northern Ireland and in that context agreed parades represent a shared outcome for all those involved in the management of this difficult issue. As long as we are in place, the Parades Commission will pursue that goal.

**RENA SHEPHERD**



The Commission will encourage local communities to engage in dialogue as a means of finding resolutions to local parading disputes.



# Foreword

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## 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 an income & expenditure account, balance sheet and cash flow statement.

## MISCELLANEOUS DISCLOSURES

### EVENTS AFTER THE REPORTING DATE

On 12th April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland Department. This did not have any impact on the status of the Parades Commission, which is still funded through the Northern Ireland Office. The Commission's accountability framework and corporate governance arrangements remain unchanged.

Mr Michael Doherty was appointed as a Commissioner with effect from 1st April 2010. He replaced Ms Anne Monaghan who left the Commission on 31st December 2009.

## FUTURE DEVELOPMENTS

The Commission will encourage local communities to engage in dialogue as a means of finding resolutions to local parading disputes. We are prepared to initiate, facilitate, or simply support any dialogue process. We will also continue to work to enhance awareness of the parading issue among the wider community.

Where local dialogue does not take place, or where agreement cannot be found on how particular parades should be managed, we will continue to arbitrate, making interventions only when we deem it to be appropriate and necessary.

## FUNDING

The Commission is financed by a budget allocated by the Secretary of State from the Northern Ireland Office Request for Resources 1. The Account below relates to the year ending on 31st March 2010.

## MEMBERSHIP OF THE COMMISSION

The membership was as follows:

Mr Roger Poole (Chairman)\*  
Mrs Rena Shepherd\*  
Mrs Kelly Andrews  
Dr Joe Hendron  
Ms Anne Monaghan\*  
Mrs Vilma Patterson  
Mrs Alison Scott-McKinley  
Mr Edwin Graham\*

\*Mr Roger Poole resigned from the Commission with effect from 20th July 2009 and was replaced as Chair by Mrs Rena Shepherd. Ms Anne Monaghan was a member of the Commission until 31st December 2009. Mr Edwin Graham was appointed to the Commission with effect from 1st August 2009.

An entirely new Commission was appointed in January 2011.

## PROMPT PAYMENT

The 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. On their receipt invoices are promptly sent for processing to the Northern Ireland Office. The new code of practice set a challenge to government departments to pay all suppliers within 10 days, and following subsequent Cabinet Office guidance, the Northern Ireland Office and its bodies revised internal timescales for the processing and payment of invoices with effect from 1st December 2008. During the financial year ended 31st March 2010 the Northern Ireland Office consistently achieved more than 90% of payments to suppliers within 10 working days. In terms of the overall performance for 2009-10, 92% of invoices were paid within 10 working days following receipt of a properly rendered invoice compared to 82% during the four months to 31st March 2009 following the introduction of this new Government target.

## DISABLED EMPLOYEES

It is the Parades Commission's policy to give equality of opportunity when considering applications from disabled persons. 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, meetings and a staff away day held on 25th March 2010.

## 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 risk.

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.

## REGISTER OF INTERESTS

Commission members and senior 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 National Audit Office has been appointed under statute to examine these accounts and report on the audit examination. The agreed fee of £15,750 is confined to the statutory audit and neither includes nor permits other services which might diminish auditor independence.

## PENSION LIABILITIES

Details of how pension liabilities are treated can be found in Accounting Policy note 1.9. Additionally, further details in respect of pensions can be found in the Remuneration Report.

## 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

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## ORGANISATIONAL OVERVIEW

The Parades Commission was established on 27th March 1997 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.com](mailto:info@paradescommission.com)  
Web: <http://www.paradescommission.org>

The Secretary, Mr Ronnie Pedlow, is responsible for the effective operation of the Parades Commission secretariat and for managing its financial and manpower resources. He is also a delegated 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 11 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 volunteers who have provided their time and expertise to provide independent monitors' 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 3,852 parades in the year from 1st April 2009 to 31st March 2010. Only 212 of those required detailed consideration by the Commission and of those only 139 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.

The 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

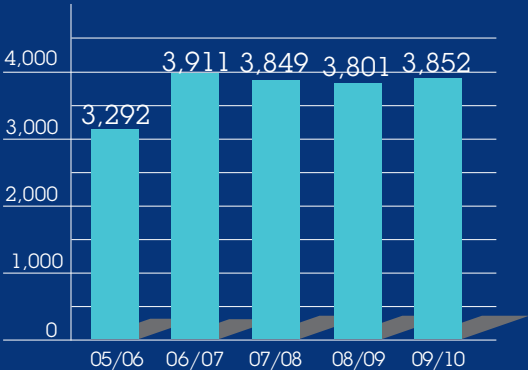


FIG 2. Total no. of contentious parades

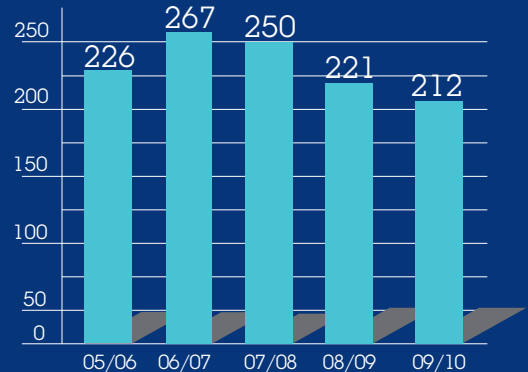


FIG 3. Restrictions on contentious parades

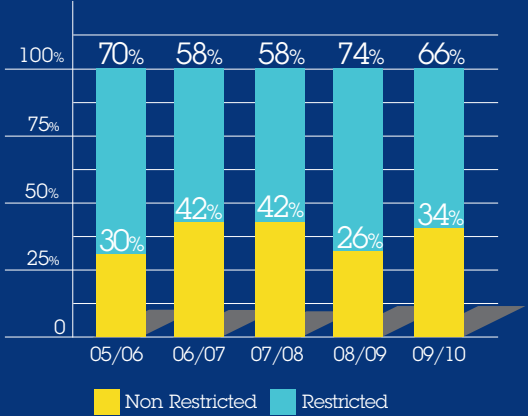


FIG 4. Breakdown of 09/10 parades

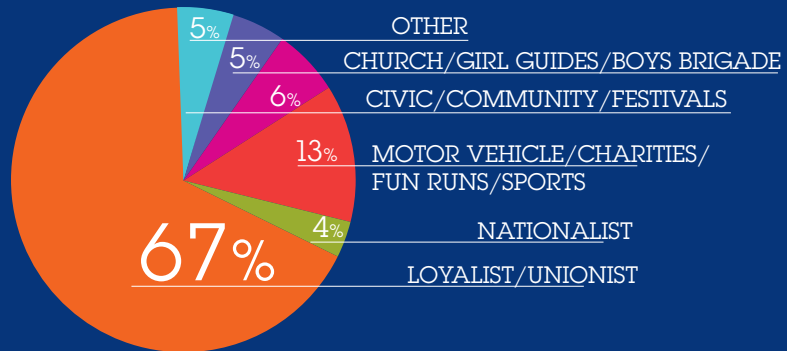


FIG 5. Breakdown of Loyalist /Unionist parades

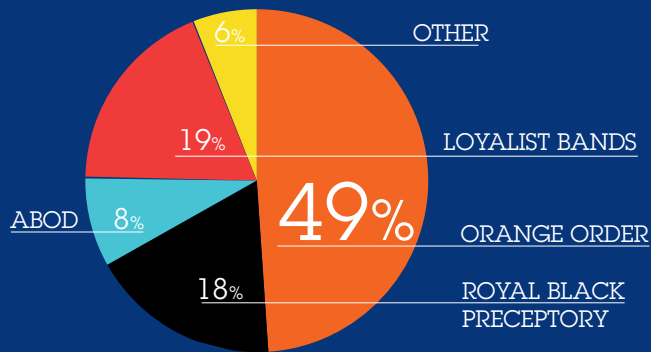
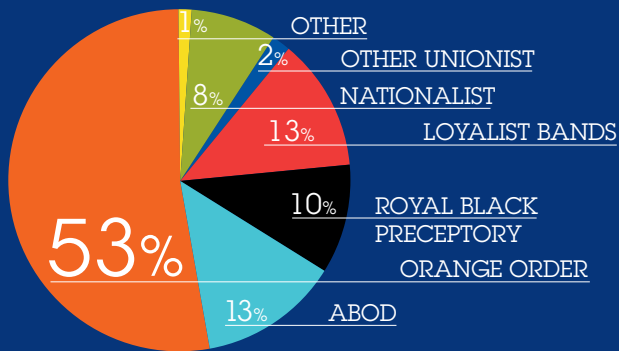


FIG 6. Total contentious parades by type



## TOTAL PARADES NOTIFIED

The 2009/10 parading season witnessed a slight increase in the overall number of parades from the previous year (3,852 in comparison to 3,801) 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 (2,606) of parades organised by the loyal orders and broad unionist tradition represents 67% of the overall total. This is a slight increase from the previous year's figure (2,483), which accounted for 65% of the overall total. The number (134) of parades organised by nationalist groups was an increase from the previous year (111) but remains very low at 4% of the overall total (3% in 2008/09). There was a substantial number of "Other" parades although down slightly from the previous year (1,112 in comparison to 1,207). This category includes charity, civic, rural and sporting events, as well as church parades. These made up 29% of the overall total number of parades (32% in 2008/09).

## TOTAL CONTENTIOUS PARADES

The number of parades deemed to be contentious decreased for the third successive year to 212 from 221 in the previous year. This represents 5% of the total number of parades notified, which is a 1% reduction from 2008/09. Fifty-two of the parades deemed to be contentious relate to the weekly notification 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 loyalist parades, which accounted for 92% (a small increase from 90% in 2008/09). The proportion of contentious nationalist parades increased marginally to 8% from 7% in the previous year. Other parades accounted for less than 1% of the total.

## BREAKDOWN OF RESTRICTIONS

The proportion of contentious parades and parade-related protests on which the Commission placed restrictions was 66%, which was a decrease from the figure for the previous year (74%). The most common restriction was on the route of a contentious parade or location of a protest, which applied in 60% of restrictions. The remainder of restrictions related to size and timing of a parade or protest, type of music to be played, behaviour and dress code.

## RESULTS FOR THE YEAR

The deficit for the year was £1,031,827 (2009: £1,130,428). The Commission has met its key financial target of managing its workload in 2009-10 within a running costs budget (to cover salaries and administrative expenditure) to financial limits agreed with the Northern Ireland Office (including in-year adjustments).

## GOING CONCERN

The statement of financial position as at 31st March 2010 shows net liabilities of £33,002 (2009: £47,624). This reflects the inclusion of liabilities falling due in future years, which may only be met by future deficit funding from the Commission's sponsoring Department, the Northern Ireland Office. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such funding may not be issued in advance of need.

Deficit funding for 2009/10, 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 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 the 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 based.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://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 until they reach the normal retirement age of 60. 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](http://www.nicscommissioners.org).

Details of salaries and allowances paid, benefits in kind and accrued pension entitlement are shown in the table at the bottom of the page.

## COMMISSIONERS' NUMBERS AND COSTS

The total emoluments of the Commissioners (including the Chairman) during the year ended 31st March 2009 amounted to £194,493 (2009: £172,093) and the Commission's expenses were £125,447 (2009: £138,728). The total remuneration of the Chairman during the same period was £54,364, which includes a brief overlap period for the handover of the Chairmanship. This figure includes £10,306 in respect of PILON for the outgoing Chair. (2009: £55,466). The Chairman was the highest paid Board Member. 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 2009/10 was as follows:

## AUDITED

Commission Member	Salary Range £'000	
	2009-10	2008-2009
Mr Roger Poole (Chairman, April-July 2009)	(15-20) (FTE 55-60)	(55-60)
Mrs Rena Shepherd (Chairperson, July 2009-March 2010, member, May 2008-June 2009)	(35-40) (FTE 55-60)	(15-20) (FTE 20-25)
Mrs Vilma Patterson	20-25	(20-25)
Dr Joe Hendron	20-25	(20-25)
Mrs Alison Scott-McKinley	20-25	(20-25)
Mrs Kelly Andrews	20-25	(20-25)
Ms Anne Monaghan (April-December 2009)	(15-20) (FTE 20-25)	(20-25)
Mr Edwin Graham (August 2009-March 2010)	(10-15) (FTE 20-25)	Nil



## AUDITED

	Salary, including performance pay	Real increase in pension at age 60 and lump sum	Total accrued pension at age 60 at 31/03/10 and related lump sum	Cash Equivalent Transfer Value at 31/03/09	Cash Equivalent Transfer Value at 31/03/10	Real increase in CETV	Employer Contributions to partnership pension account	Benefits in Kind
	£k	£k	£k	£k	£k	£k	£k	£k
Ronnie Pedlow	55-60	0-2.5	20-25 & 70-75	463	547	28	Nil	Nil
Michael Boyle	45-50	0-2.5	10-15 & 35-40	211	258	20	Nil	Nil

### SALARY

"Salary" includes gross salary; performance pay or bonuses; overtime; reserved rights to London Weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation.

### PENSION

Pension benefits are provided through the Civil Service pension arrangements. From 1st October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Price Index. New entrants after 1st October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder-based arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1st October 2002 calculated broadly as per classic.

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. 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).

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

The following represents an explanation of the various terms used.

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 would show the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme and for which the Scheme has received a

transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in CETV reflects the increase effectively funded by the employer. It takes account of 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

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. There were no benefits in kind in respect of the financial year. Gross salaries for the most senior managers of the Department were determined by reference to the senior civil service pay award for 2009.

R PEDLOW,  
SECRETARY



# Statement of Secretary's Responsibilities

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Under paragraph 12 (1) 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, recognised gains and losses and cash flows for the financial year.

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

- observe the accounts direction issued by the 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.

# Statement on Internal Control

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## SCOPE OF RESPONSIBILITY

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.

## THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental 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 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## CAPACITY TO HANDLE RISK

The system of internal control 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 and Chairman of the Commission;
- regular reviews of periodic and annual financial reports which indicate financial performance; and
- as appropriate, formal project management disciplines.

## THE RISK AND CONTROL FRAMEWORK

The Parades Commission for Northern Ireland has relied upon the services provided by ASM Horwath 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. A comprehensive risk register has been completed and is subject to ongoing review and monitoring by the Audit Committee.

## REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result 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.

Throughout the year ASM Horwath acted as internal auditors to the Parades Commission, having been appointed on a three year term with effect from 1 April 2008. The audit fieldwork was undertaken in week commencing 9th November 2009 on the following three areas of work identified and agreed in advance with the Audit Committee as part of the Strategic Internal Audit Plan: management of parades; purchasing and procurement; and corporate governance. There was also a follow-up review of recommendations from the 2009 internal audit report.

Management of parades and parading issues received a satisfactory assurance rating with 10 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.

The controls in place within corporate governance and risk management were found to be basically sound resulting in a satisfactory assurance rating. Eight recommendations were made in relation to the internal control system for corporate governance and risk management, particularly in relation to enhancements to the Commission's system for managing conflicts of interest and the need for the Audit Committee to undertake an annual self-assessment. It was also recommended that the Commission develop a risk management strategy and fraud policy to reflect its own particular circumstances.

The existing controls within purchasing and procurement were found to be basically sound resulting in a satisfactory assurance rating. Seven recommendations were made in relation to the internal control system for purchasing and procurement, particularly in relation to processing purchases and the need to centralise documented operational procedures. In its Report to those charged with Governance, the NI Audit Office made a small number of recommendations, one of which was assigned priority rating 1 with the remainder assigned priority rating 2. The one significant weakness identified was in relation to the preparation of the draft accounts, which did not provide a simple and clear audit trail. The matter has subsequently been drawn to the attention of the contractor responsible for the preparation of the accounts, in advance of the 2009/10 annual accounts. The NI Audit Office was satisfied with management's response to its recommendations.

## RISK MANAGEMENT

The Commission operates a "traffic light" corporate Risk Register in line with Government guidance. The Register is kept under constant review, with a formal quarterly review, and updated by senior management as necessary. Risks are identified, assessed in terms of likelihood of occurrence and impact and degree of risk. Senior management consider signs of risks changing, examine existing risk control tools and, if necessary, take remedial action.

R PEDLOW  
SECRETARY

28th April 2011

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

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I certify that I have audited the financial statements of the Parades Commission for Northern Ireland for the year ended 31st March 2010 under the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## RESPECTIVE RESPONSIBILITIES OF THE PARADES COMMISSION FOR NORTHERN IRELAND, ACCOUNTING OFFICER AND AUDITOR

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Parades Commission for Northern Ireland and the Secretary as 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## OPINION ON REGULARITY

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





#### OPINION ON FINANCIAL STATEMENTS

In my opinion:

- The financial statements give a true and fair view, of the state of the Parades Commission for Northern Ireland's affairs as at 31st March 2010 and of its deficit, changes in taxpayers' equity and cash flows for the year then ended: and
- The financial statements have been properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998 and Northern Ireland 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 the Public Processions (Northern Ireland) Act 1998 as amended by the Public Processions (Northern Ireland) Act 1998 (Accounts and Audit) Order 1998 and Northern Ireland Secretary of State directions issued thereunder.
- The information given in the Chairman's Report and 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;
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

#### REPORT

I have no observations to make on these financial statements.

*Amyas C E Morse*  
*Comptroller and Auditor General*  
*National Audit Office*  
*157-197 Buckingham Palace Road*  
*Victoria*  
*London*  
*SW1W 9SP*

*4th July 2011*



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# Financial Statements

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## NET EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

		2010 Restated	2009
	Notes	£	£
<b>Expenditure</b>			
Staff costs	4	642,569	721,855
Other operating costs	5	372,476	395,454
Permanent diminution	5	13	1,220
Depreciation	5	16,699	11,714
Notional Charges and Cost of capital	5	5,573	50,269
<b>Total expenditure</b>		<u>1,037,330</u>	<u>1,180,512</u>
Net Expenditure		(1,037,330)	(1,180,512)
Notional Charges and Cost of capital	5	5,573	50,269
Interest payable		(70)	(185)
<b>Net Expenditure after cost of capital Charge and Interest</b>		<u>(1,031,827)</u>	<u>(1,130,428)</u>

All amounts above relate to continuing activities.

There are no recognised gains or losses other than those included above.

The notes on pages 23-37 form part of the financial statements.

# Financial Statements

## STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2010

		2010	2009	1st April 2008
	Notes	£	Restated £	Restated £
<b>Non-current assets:</b>				
Property, plant and equipment	7	21,375	30,984	31,365
Intangible Assets	8	0	1,255	2,699
<b>Total non-current assets</b>		<b>21,375</b>	<b>32,239</b>	<b>34,064</b>
<b>Current assets:</b>				
Trade and other receivables	10	12,566	13,025	16,188
<b>Cash and cash equivalents</b>	<b>11</b>	<b>5</b>	<b>90</b>	<b>45</b>
<b>Total current assets</b>		<b>12,661</b>	<b>13,115</b>	<b>16,233</b>
<b>Total assets</b>		<b>34,036</b>	<b>45,354</b>	<b>50,297</b>
<b>Current liabilities:</b>				
<b>Trade and other payables</b>	<b>12</b>	<b>(67,038)</b>	<b>(92,978)</b>	<b>(103,224)</b>
<b>Total current liabilities</b>		<b>(67,038)</b>	<b>(92,978)</b>	<b>(103,224)</b>
<b>Non-current assets less net current liabilities</b>		<b>(33,002)</b>	<b>(47,624)</b>	<b>(52,927)</b>
<b>Non-current liabilities:</b>				
Other Payables	12	-	-	(2,228)
<b>Assets less Liabilities</b>		<b>(33,002)</b>	<b>(47,624)</b>	<b>(55,155)</b>
Taxpayers' Equity				
General Fund		(39,158)	(47,931)	(55,243)
Revaluation reserve		6,156	307	88
		<b>(33,002)</b>	<b>(47,624)</b>	<b>(55,155)</b>

The financial statements were approved by the Commission on 14th June 2011 and were signed on its behalf by:

**R Pedlow**  
**Secretary**  
**14th June 2011**

The notes on pages 23-37 form part of the financial statements.

# Financial Statements

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2010

	2010	2009
		Restated
Notes	£	£
<b>Cash flows from operating activities</b>		
Net Deficit after cost of capital and interest	(1,037,400)	(1,180,697)
Adjustment for cost of capital charge	5	50,269
(Increase)/decrease in trade and other receivables	459	3,163
Less movements in receivables relating to Items not passing through the		
Net Expenditure account		
Increase/(decrease) in trade payables	(20,045)	(18,368)
Less movements in payables relating to Items not passing through the		
Net Expenditure account		
Depreciation	16,699	11,714
Permanent Diminution	13	1,22
<b>Net cash outflow from operating activities</b>	<b>(1,034,701)</b>	<b>(1,132,699)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,894)	(4,996)
Purchase of intangible assets		
Proceeds of disposal of property, plant and equipment		
Proceeds of disposal of intangible assets		
<b>Net cash outflow from investment activities</b>	<b>(5,894)</b>	<b>(4,996)</b>
<b>Cash flows from financing activities</b>		
<b>Funding from parent department</b>	<b>1,040,600</b>	<b>1,137,740</b>
<b>Net financing</b>	<b>1,040,600</b>	<b>1,137,740</b>
<b>Net increase in cash and cash equivalents in the period</b>	<b>5</b>	<b>45</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>90</b>	<b>45</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>95</b>	<b>90</b>

The notes on pages 23-37 form part of the financial statements.

# Financial Statements

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## STATEMENT OF CHANGES IN TAXPAYERS EQUITY FOR THE YEAR ENDED 31ST MARCH 2010

	General Fund £	Revaluation Reserve £	Total Reserves £
<b>Balance at 31 March 2008</b>	<b>(26,277)</b>	<b>88</b>	<b>(26,189)</b>
Effect of Changes under International Financial Reporting Standards	<b>(28,966)</b>		<b>(28,966)</b>
<b>Restated balance at 1st April 2008</b>	<b>(55,243)</b>	<b>88</b>	<b>(55,155)</b>
Changes in Taxpayers' Equity 2008-09			
Release of reserves to Net expenditure account	(1,180,697)	219	(1,180,478)
Non-cash charges – cost of capital	50,269	-	50,269
<b>Total recognised income and expense for 2008-09</b>	<b>(1,130,428)</b>	<b>219</b>	<b>(1,130,209)</b>
Funding from Parent	1,137,740	-	1,137,740
<b>Balance at 31st March 2009</b>	<b>(47,931)</b>	<b>307</b>	<b>(47,624)</b>
<b>Changes in taxpayers' equity for 2009-10</b>			
Net gain on revaluation of property, plant and equipment	-	5,528	5,528
Net gain on revaluation of intangible assets	-	321	321
Release of reserves to Net expenditure account	(1,037,400)	-	(1,037,400)
Non-cash charges – cost of capital	5,573	-	5,573
<b>Total recognised income and expense for 2009-10</b>	<b>(1,031,827)</b>	<b>5,849</b>	<b>(1,025,978)</b>
Funding from Parent	1,040,600	-	1,040,600
<b>Balance at 31 March 2010</b>	<b>(39,158)</b>	<b>6,156</b>	<b>(33,002)</b>

# Financial Statements

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010

### 1. Statement of accounting policies

The Financial statements have been prepared in accordance with the 2009–10 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 2010 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 fixed 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 estimated 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.

#### 1.3 Income

As the Parades Commission for Northern Ireland does not receive grant-in-aid, income is not shown on the face of the income and expenditure account. All accounting transactions are processed through the NIO and are included in the NIO Resource Accounts.

#### 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 Central Statistics Office. Assets acquired by finance lease on initial recognition are measured at the net present value of future lease payments.

# Financial Statements

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All non-property operational assets are deemed to be short-life or low value assets and are therefore valued on the basis of historical cost less depreciation as an approximation of fair value.

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	Lease Term

## 1.5 Operating Leases

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

## 1.6 Finance Leases

Finance leases are valued using the net present value of future lease payments using real rate of interest set by HM Treasury (currently 3.5 per cent).

## 1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 4. 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 of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

Separate arrangements are in place for the Chief Commissioner's pension scheme, which is not part of the PCSPS.

## 1.8 Capital Grants

Grants towards capital expenditure are credited to Reserves.

## 1.9 Value Added Tax

The Commission is ineligible to reclaim input VAT on expenditure. Therefore, all expenditure is inclusive of VAT.

## 1.10 Capital charge

A charge, reflecting the cost of capital utilised by the Parades Commission for Northern Ireland, is included in the Expenditure Account. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities, except for:

- property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year;
- additions at cost
- disposals as valued in the opening statement of financial position (plus any subsequent capital expenditure prior to disposal)

# Financial Statements

- impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure)
- depreciation of property, plant and equipment and amortisation of intangible assets.

## 1.11 Staff Costs

Under IAS19 Employee Benefits legislation, 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.

## 1.12 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2010

The Northern Ireland Parades Commission implemented IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS) with the date of transition to IFRS being 1st April 2008 for the purposes of preparing the opening IFRS statement of financial position.

The following standards had a material impact on the financial statements:

IAS 19 Employee Benefits

IAS 17 Leases

Details of the financial impact of these standards are contained in Note 2. Any adjustments arising from differing accounting policies resulting from the application of IFRS for the first time have been taken through the General Fund.

The Parades Commission has reviewed the remaining standards, interpretations and amendments to published standards that became effective during 2009-10 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.

## 1.13 Accounting standards, interpretations and amendments to published standards not yet effective

Certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Commission's accounting periods beginning on or after 1st April 2010 or later periods, but which the Commission has not adopted early. Other than as outlined in the table below, the Commission considers that these standards are not relevant to its operations.

Standard	Description of revision	Application Date	Comments
IFRS 8	Operating Segments - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1st January 2010	Segment assets not required to be disclosed unless regularly reported to the Chief Operating Decision Maker.
IAS 7	Statement of Cash Flows - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1st January 2010	Clarification that only cash flows resulting in the recognition of an asset can be classified as investing activities. Unlikely to lead to change.
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1st January 2010	Leases of land to be classified according to general principles of the standard rather than assumed to be operating leases.  Unlikely to lead to change.
IAS 24	Related Party Disclosures - Revised definition of related parties	Annual periods beginning on or after 1st January 2010	Inclusion of a partial exemption for government-related entities. Given that the FRM interprets the related party requirements significantly to reduce the disclosure on transactions between public sector entities it is unlikely that this will have significant impact.

# Financial Statements

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## 2. FIRST-TIME ADOPTION OF IFRS

Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of UK GAAP reporting period 31st March 2008

	<b>General Fund £</b>	<b>Revaluation reserve £</b>
Taxpayers' equity at 31st March 2008 under UK GAPP	(26,277)	88
Adjustments for:		
IAS 17 – Leases	29	-
IAS 19 – Employee Benefits	(28,995)	-
<b>Taxpayers' equity at 1st April 2008 under IFRS</b>	<b>(55,243)</b>	<b>88</b>

Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of final UK GAAP reporting period 31st March 2009

	<b>General Fund £</b>	<b>Revaluation reserve £</b>
Taxpayers' equity at 31st March 2009 under UK GAPP	(20,958)	307
Adjustments for:		
IAS 17 – Leases	119	-
IAS 19 – Employee Benefits	(27,092)	-
<b>Taxpayers' equity at 1st April 2009 under IFRS</b>	<b>(47,931)</b>	<b>307</b>

Reconciliation of UK GAAP reported net operating costs to IFRS for year ended 31st March 2009

	<b>£</b>
Net expenditure for 2008-09 under UK GAAP	<b>(1,132,421)</b>
Adjustments for:	
IAS 17 – Leases	90
IAS 19 – Employee Benefits	1,903
<b>Net expenditure for 2008-09 under IFRS</b>	<b>(1,130,428)</b>



# Financial Statements

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## 3. ANALYSIS OF NET EXPENDITURE BY SEGMENT

<b>2009-10</b>	<b>Commissioners £</b>	<b>Secretariat £</b>	<b>Total £</b>
Gross Expenditure	317,269	720,061	1,037,330
Less: Income	-	-	-
Net Expenditure	<u>317,269</u>	<u>720,061</u>	<u>1,037,330</u>

<b>2008-09</b>	<b>Commissioners £</b>	<b>Secretariat £</b>	<b>Total £</b>
Gross Expenditure	335,038	845,474	1,180,512
Less: Income	-	-	-
Net Expenditure	<u>335,038</u>	<u>845,474</u>	<u>1,180,512</u>

The Parades 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. Segments are therefore designated Commissioners and Secretariat.

# Financial Statements

## 4. STAFF NUMBERS AND RELATED COSTS

<b>Staff costs comprise:</b>	2009-10 Total £	Permanently employed staff £	Others Restated £	2008-09 Restated Total £
Wages & Salaries	565,865	546,873	18,992	642,200
Social security costs	22,848	22,848	-	24,23
Other pension costs	53,856	53,856	-	55,417
<b>Sub Total</b>	<b>642,569</b>	<b>623,577</b>	<b>18,922</b>	<b>721,855</b>
Less recoveries in respect of outward secondments	-	-	-	-
<b>Total net costs</b>	<b>642,569</b>	<b>623,577</b>	<b>18,922</b>	<b>721,855</b>

The PCSPS (NI) is an unfunded multi-employer defined benefit scheme which produces its own resource accounts, but the Parades Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31st March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

For 2009-10, employer's contributions of £53,856 (2008-09: £55,417) were payable to the PCSPS (NI) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands.

The contribution rates are set to meet the cost of the benefits accruing during 2009/10 to be paid when a member retires, and not the benefits paid during this period to existing pensioners. The remuneration report on pages 10-12 contains detailed pension information.

Employees joining after 1st October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions are paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 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% of pensionable pay are payable 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 2009/10.

### AVERAGE NUMBER OF PERSONS EMPLOYED

The average number of whole-time equivalent persons employed during the year was as follows:

	2009-10 Total	Permanently employed staff	Others	2008-09 Total
Directly employed	10	10		12
Other	8	7	1	11
<b>Total</b>	<b>18</b>	<b>17</b>	<b>1</b>	<b>23</b>

# Financial Statements

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## 5. OTHER EXPENDITURE

	2010	2009
	£	Restated £
Accommodation costs	18,841	20,790
Rent	121,603	132,179
Travel, subsistence & hospitality	25,601	37,656
Advertising & Publications	16,745	11,666
Training	6,635	127
Telecommunications	16,729	19,312
Inter-Departmental charges	37,488	34,124
Courier Service	12,827	13,925
Professional advisors' service	54,585	51,828
Consultants' fees	6,956	2,795
Auditor's remuneration	15,750	11,250
Mediation	1,931	18,926
Grant aid	-	7,437
Other Expenditure	36,785	33,439
	<hr/> 372,476	<hr/> 395,454
<b>Non-Cash Items:</b>		
Permanent Diminution	13	1,220
Revaluation	(5,849)	(219)
Cost of Capital	(1,411)	(797)
Other Notional Costs	6,984	51,066
Depreciation	16,699	11,714
	<hr/> 388,912	<hr/> 458,438

## 6. INCOME

There was no income received in 2010.

# Financial Statements

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## 7. PROPERTY, PLANT AND EQUIPMENT

	<b>Buildings</b>	<b>Information Technology</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>				
At 1st April 2009	19,790	27,134	21,626	68,550
Impairments	-	-	(17)	(17)
Revaluations	-	6,955	-	6,955
At 31st March 2010	19,790	34,089	21,609	75,488
<b>Depreciation</b>				
At 1st April 2009	9,896	15,554	12,116	37,566
Charged in year	4,947	7,148	3,029	15,124
Impairments	-	-	(4)	(4)
Revaluations	-	1,427	-	1,427
At 31st March 2010	14,843	24,129	15,141	54,113
Net book value at 31st March 2010	4,947	9,960	6,468	21,375
Net book value at 31st March 2009	9,894	11,580	9,510	30,984
<b>Asset financing:</b>				
Owned	4,947	9,960	6,468	21,375
Finance leased	-	-	-	-
Net book value at 31st March 2010	4,947	9,960	6,468	21,375

# Financial Statements

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## 7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings £	Information Technology £	Furniture & Fittings £	Total £
<b>Cost or valuation</b>				
At 1st April 2008	19,790	18,300	21,368	59,458
Additions	-	10,890	-	10,890
Impairments	-	(2,056)	-	(2,056)
Revaluations	-	-	258	258
At 31st March 2009	19,790	27,134	21,626	68,550
<b>Depreciation</b>				
At 1st April 2008	4,948	14,567	8,578	28,093
Charged in year	4,948	2,013	3,499	10,460
Impairments	-	(1,026)	-	(1,026)
Revaluations	-	-	39	39
At 31st March 2009	9,896	15,554	12,116	37,566
Net book value at 31st March 2009	9,894	11,580	9,510	30,984
Net book value at 1st April 2008	14,842	3,733	12,790	31,365
<b>Asset financing:</b>				
Owned	9,894	11,580	7,084	28,558
Finance leased	-	-	2,426	2,426
Net book value at 31st March 2009	9,894	11,580	9,510	30,984

The Impairment in 2010 relates to Furniture & Fittings assessed using the indices from the Office of National Statistics.

# Financial Statements

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## 8. INTANGIBLE ASSETS

	Software licenses £	Total £
<b>Cost or valuation</b>		
At 1st April 2009	6,269	6,269
Revaluations	1,607	1,607
At 31st March 2010	<u>7,876</u>	<u>7,876</u>
<b>Depreciation</b>		
At 1st April 2009	5,015	5,015
Charged in year	1,575	1,575
Impairments	1,286	1,286
At 31st March 2010	<u>7,876</u>	<u>7,876</u>
Net book value at 31st March 2010	<u>-</u>	<u>-</u>
Net book value at 31st March 2009	<u>1,255</u>	<u>1,255</u>
<b>Asset financing:</b>		
Owned	<u>-</u>	<u>-</u>
Finance leased	<u>-</u>	<u>-</u>
Net book value at 31st March 2010	<u>-</u>	<u>-</u>

# Financial Statements

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## 8. INTANGIBLE ASSETS (CONTINUED)

	Software licenses £	Total £
<b>Cost or valuation</b>		
At 1st April 2008	6,744	6,744
Impairments	(475)	(475)
At 31st March 2009	<u>6,269</u>	<u>6,269</u>
<b>Depreciation</b>		
At 1st April 2008	4,045	4,045
Charged in year	1,254	1,254
Impairments	(285)	(285)
At 31st March 2009	<u>5,014</u>	<u>5,014</u>
Net book value at 31st March 2009	<u>1,255</u>	<u>1,255</u>
Net book value at 1st April 2008	<u>2,699</u>	<u>2,699</u>
Asset financing:		
Owned	<u>1,255</u>	<u>1,255</u>
Finance leased	<u>-</u>	<u>-</u>
Net book value at 31st March 2009	<u>1,255</u>	<u>1,255</u>

# Financial Statements

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## 9. FINANCIAL INSTRUMENTS

As the cash requirements of a non-departmental government body 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.

### Liquidity risk

The Commission is financed from the Northern Ireland Office and is accountable to Parliament through the Secretary of State for Northern Ireland and is not therefore exposed to significant liquidity risk.

### Interest rate risk

All financial assets and financial liabilities of the Commission carry nil rates of interest and therefore are not exposed to interest rate risk.

### Currency risk

The Commission does not trade in foreign currency and therefore has no exposure to foreign currency risk.

### Fair values

The book value and fair value of the Commission's financial assets and financial liabilities as at 31st March 2010 are set out below:

#### Primary financial instruments:

	Book value £	Fair value £
<b>Financial assets</b>		
Cash at bank	95	95



# Financial Statements

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## 10. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2009-10 £	2008-09 £	1 April 08 £
<b>Amounts falling due within one year:</b>			
Trade receivables	-	-	-
Prepayments and accrued income	12,566	13,025	16,188
	<hr/> 12,566	<hr/> 13,025	<hr/> 16,188

## 11. CASH AND CASH EQUIVALENTS

	2009-10 £	2008-09 £	1 April 08 £
<b>Balance at 1st April</b>	90	45	80
Net change in cash and cash equivalent balances <sup>5</sup>	45	(35)	
<b>Balance at 31st March</b>	<hr/> 95	<hr/> 90	<hr/> 45

### The following balances at 31st March were held at:

Commercial banks and cash in hand	95	90	45
<b>Balance at 31st March</b>	<hr/> 95	<hr/> 90	<hr/> 45

# Financial Statements

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## 12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2009-10	2008-09	1 April 08
	£	Restated £	Restated £
<b>Amounts falling due within one year:</b>			
Trade payables	4,787	3,397	2,625
Other payables			
Accruals and deferred income	62,251	87,274	97,537
Current part of finance leases	-	2,307	3,062
	<b>67,038</b>	<b>92,978</b>	<b>103,224</b>

	2009-10	2008-09	1 April 08
	£	Restated £	Restated £
<b>Amounts falling due after more than one year:</b>			
Finance leases	-	-	2,228
	<b>-</b>	<b>-</b>	<b>2,228</b>

## 13. COMMITMENTS UNDER LEASES

### 13.1 Operating leases

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

	2009-10	2008-09	1 April 08
	£	Restated £	Restated £
Buildings			
Not later than one year	60,489	59,202	60,489
Later than one year and not later than five years	60,489	181,467	
Later than five years	-	-	-
	<b>120,978</b>	<b>180,180</b>	<b>241,956</b>

# Financial Statements

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## 13.2 FINANCE LEASES

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

	2009-10	2008-09	1 April 08
	£	Restated £	Restated £
Other			
Not later than one year	-	2,377	3,062
Later than one year and not later than five years	-	2,484	
Later than five years	-	-	
	-	2,377	5,546
<b>Less interest element</b>	-	(70)	(256)
	-	2,307	5,290

Finance Leases relate to two photocopiers.

## 14. CAPITAL COMMITMENTS

The Parades Commission does not have any capital commitments.

## 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.

In addition, the Parades Commission has had a small number of material transactions with other Government Departments. Most of these transactions have been with the Department of the Environment for Northern Ireland, and one of its executive agencies, the Construction Service, and also Northern Ireland Legal Services Commission.

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

## 16. EVENTS AFTER THE REPORTING DATE

The Annual Report and Accounts were authorised to be issued and laid in the Houses of Parliament on the same date as they were certified by the Comptroller and Auditor General. There were no other events which required disclosure or adjustment of the Accounts.

On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly, and the Department of Justice came into existence as a new Northern Ireland Department. This did not have any impact on the status of the Parades Commission, which is still funded through the Northern Ireland Office. The Commission's accountability framework and corporate governance arrangements remain unchanged.





# The Commission

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## 1. MRS RENA SHEPHERD

Rena joined the Parades Commission in May 2008 before assuming the role of Chair in June 2009. She has extensive mediation experience and has been involved in a number of successful international processes.

Rena holds a number of public and private appointments and directorships. In April 2009 she was appointed to the newly formed Patient Client Council. She is also currently Chair of the Kish Foundation.

Her special interests lie in the field of disability and in 2006 she set up the Centre on Human Rights for People with Disabilities in Northern Ireland. Rena is also a director of the Northern Ireland Chamber of Commerce where she heads up the Policy sub-committee.

## 2. DR JOE HENDRON

Joe was a GP in West Belfast for 40 years. He was elected MP for West Belfast for the SDLP and served from 1992-97. He was an MLA for the constituency from 1998-2003 where he chaired the Assembly's Health, Social Services and Public Safety Committee. He served on Belfast City Council from 1981-1992. He visited North Korea in 1998 as part of a Trocaire charity delegation looking at famine.

## 3. MR EDWIN GRAHAM

Edwin Graham has spent his career as a committed community worker and is involved with all sections of the community in Northern Ireland. He has a number of roles in the public and voluntary sectors. Previous to his appointment as a member of the Parades Commission he was an Authorised Officer in the Commission.

He is a trained mediator and holds a BSc in Environmental Science from the University of Ulster. In addition to his appointment as a member of the Parades Commission, Edwin holds

a public appointment as a Non-Executive Director on the Southern Health and Social Care Trust - a position that he has held since the formation of the Trust in 2007.

Member of the Pharmacy National Appeal Panel of the Department of Health; Northern Ireland representative on the UK Faith Communities Consultative Council; Chairman, Edward Street Hostel Ltd; Chairman, Clinical Excellence Panel, Southern HSC Trust; Secretary, Northern Ireland Inter-Faith Forum; Member, Religious Education Advisory Group, CCEA; Treasurer, Bahá'í Council for Northern Ireland.

In addition Edwin holds a number of appointments that are voluntary.

## 4. MRS VILMA PATTERSON

Has spent over 30 years in the construction industry, in sportsground construction, consultancy, research and network development and is Director of John G Duff (Annadale) Ltd. She was a member (1996-2008) and Chair (1999-2002) of the Independent Monitoring Board for HMP Maghaberry and Chair of Northern Ireland Association of the Independent Monitoring Boards for Northern Ireland. She is also the former Chair of the Women in Business Network working with the private, public, voluntary and community sectors. She was appointed as a Civil Service Commissioner for Northern Ireland in 2009 and is a member of the Probation Board for NI.

## 5. MRS KELLY ANDREWS

Is former Chair of the National Executive Committee for the Green Party in Northern Ireland. She is also a former Co-Chair and Secretary of the Green Party in Northern Ireland. Kelly has a background in community development. She has worked as a Training Coordinator for Women into Politics, facilitating various programmes dealing with conflict resolution, equality, democracy and politics. She has a BA Hons in English and Politics from Queen's University Belfast.

## 6. MRS ALISON SCOTT MCKINLEY

Alison's background is in the field of Family Work, Youth Work and Community Development. Alison is currently a therapist working with young people and adults. She is a Lay Magistrate serving in the Family Proceedings and Youth Courts in the Londonderry County Division, and an Independent Member of Cookstown District Policing Partnership.



#### MR MICHAEL DOHERTY

Michael Doherty has been involved in full time community work since 1987. Since then he has become recognised as one of the leading trainers and facilitators in this field of work. He initiated the first ever Community Relations Action Learning Programmes in the early 1990's and has designed Open College Network Programmes on exploring Diversity- Facilitating Community Relations Work; Group Work and Facilitation skills as well as Introduction to Conflict Resolution and Mediation Skills and Advanced Mediation Skills. He is committed to tackling sectarianism at every opportunity and is committed to building a peaceful society that is free of threat and violence.

7. Ms Anne Monaghan was a member of the Parades Commission until 31st December 2009.

8. Mr Roger Poole resigned from the Parades Commission on 20st July 2009.

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