



NORTHERN  
IRELAND  
HUMAN  
RIGHTS  
COMMISSION



Annual Report and Accounts  
2010–2011



NORTHERN  
IRELAND  
HUMAN  
RIGHTS  
COMMISSION

# Annual Report and Accounts 2010–11

Report presented to Parliament pursuant to  
Paragraph 5(2) of Schedule 7 of the  
Northern Ireland Act 1998  
and Accounts presented to  
Parliament pursuant to Paragraph 7(3)(b)  
of Schedule 7 of the  
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8 September 2011

Rt Hon Owen Paterson MP  
Secretary of State for Northern Ireland  
Block B, Castle Buildings  
Stormont  
Belfast BT4 3SG

Dear Secretary of State

I have pleasure in submitting to you, as required by paragraph 5(1) of Schedule 7 of the Northern Ireland Act 1998, the twelfth Annual Report of the Northern Ireland Human Rights Commission. It shows how the Commission has performed its functions during the period 1 April 2010 to 31 March 2011.

The Annual Report includes the Commission's financial statements for the year ending 31 March 2011, which have been prepared in accordance with Paragraph 7 of Schedule 7 of the Northern Ireland Act 1998, and which were approved and certified by the Comptroller and Auditor General on 7 September 2011.

Yours sincerely



**Professor Monica McWilliams**  
Chief Commissioner



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## Chief Commissioner's Foreword

The past year has been a difficult one for many people in Northern Ireland. Financial burdens driven by the recession have increased the levels of personal debt. This has led in many instances to the repossession of family homes and in a number of cases people being imprisoned for fine defaults. The Commission's work has correspondingly expanded, with the protection of social and economic rights receiving as much attention as the political and civil rights that have so often been associated with the Northern Ireland conflict.

In terms of dealing with the legacy of the past, there is a considerable amount of work outstanding. The past year has witnessed the publication of several reports into a range of Inquiries, and Inquests in which the Commission has a long involvement. Alongside these high profile cases, another example of work remaining to be completed from the past is a Bill of Rights for Northern Ireland.

The proposal that the Commission should advise on a Bill of Rights for Northern Ireland originated from the Belfast (Good Friday) Agreement 1998. Following the submission of our advice to the Secretary of State in December 2008, the Commission has continued over the past two years to work with Government, Parliamentarians and other stakeholders to help take the process forward, with the support of additional funding made available to the Commission by The Atlantic Philanthropies, to whom I would like to take this opportunity to express the Commission's appreciation.

With current Commissioners leaving at the end of August 2011, it remains our opinion that legislation of such significance to the peace process and constitutional settlement deserves greater consideration

by government and political parties than has been invested to date. Both the United Kingdom and Irish governments need to find a way of progressing the issue of a Bill of Rights for Northern Ireland.

The Northern Ireland Human Rights Commission and the Irish Human Rights Commission have, in the past year, finalised proposals on a Charter of Rights for the island of Ireland, as also outlined in the Belfast (Good Friday) Agreement. The Commissioners aim to discuss these proposals with political parties and both governments before the end of this summer. We will leave office knowing that these two important elements of the 1998 mandate are complete, and it is now for elected representatives to deliver an acceptable conclusion.

During the past year, the Commission attracted considerable media coverage on a range of issues. Included in this was our work in respect of the Public Assemblies, Parades and Protests (Northern Ireland) Bill in which we raised a number of concerns. It was widely reported that these concerns would have to be addressed before any legislation on future parades was finalised. Similarly, in respect of other legislation and policy matters, such as DNA retention, the Common Travel Area and 'Earned Citizenship', the Commission provided advice and in return received positive responses from government.

As the devolution of justice powers were embedded, we engaged with the independently appointed Prison Review Team, the Assembly's Justice Committee and the new Justice Minister, David Ford. The Commission welcomes this increased interaction with local politicians and the Executive. It heralds a productive way forward in addressing human rights duties and demonstrates how the Commission



continues to position itself successfully as a national human rights institution.

The Commission has used its investigation powers this year to consider the rights of older people living in residential nursing care homes. We have employed innovative techniques to conduct the fieldwork for our report, including a public call for evidence. By publishing our findings the Commission hopes to break new ground in the year ahead, assisting the carers of vulnerable older people and helping in the improvement of health and social services in this field.

The Commission continued to develop its partnership with the Equality Commission for Northern Ireland to monitor and promote the implementation of the UN Convention on the Rights of Persons with Disabilities. This area of work, on the most recent of international treaties, combines with the investigation on nursing care homes to demonstrate the Commission's ongoing commitment to protecting the human rights of the most vulnerable members of society.

We have continued to deliver our introduction to the Human Rights Act training with a notable increase in demand coming from public authorities. This has been supplemented by a number of specific requests, such as input to the professional accreditation of social workers. By the end of this year the focus was such that the Commission had discussed and received support from the Head of the Northern Ireland Civil Service for a proposed Civil Service-wide human rights education programme. We anticipate this project starting later in 2011.

In order to fulfil all these commitments, the support from Commissioners and staff in the Northern Ireland Human Rights

Commission was particularly welcome. Two Commissioners stepped down from their positions during the past year: Colm Larkin to take up an appointment elsewhere and Eamonn O'Neill to participate in the Assembly elections. I would like to thank both Colm and Eamonn for their contributions to the work of the Commission and wish them well for the future. As a consequence of their departure, the Commission had a reduced complement of five part-time Commissioners and I am particularly grateful to these Commissioners for undertaking additional work during this time. I am also pleased to welcome Virginia McVea as the new Director of the Commission.

The Commission is now one of the few institutions to remain directly accountable to Parliament, through the Secretary of State, for the fulfilment of its statutory duties. There are many challenges that lie ahead, one of which will be working with the recently established Commission on the future of human rights in the UK. The Northern Ireland Human Rights Commission will co-operate closely with the Equality and Human Rights Commission and the Scottish Commission on Human Rights to ensure that our views on the protection and enhancement of human rights across the three jurisdictions are heard.

At international level, the Northern Ireland Human Rights Commission continues to be recognised as a fully accredited national human rights institution. This was a major success taken forward by the current Commission. We depart having secured this institutional status and ensuring a continued recognition by the United Nations.

Lastly, as I step down as Chief Commissioner, I would like to pay a special tribute to the countless organisations, individuals and staff who have contributed so much to what at times was difficult work in promoting an understanding of human rights across Northern Ireland. The support of my fellow Commissioners is especially acknowledged. As they too depart, they leave behind a credible record and respect for the organisation's work. It was a privilege to serve as Chief Commissioner for the past six years and I hope that all those who have so ably assisted the Commission in its work on human rights will continue to do so in the years to come.

**Monica McWilliams**  
**Chief Commissioner**



# Management Commentary

## Introduction

I am pleased to report on the performance of the Northern Ireland Human Rights Commission during this busy year and to acknowledge the work of our staff in producing this report.

The Commission was established as a result of the Belfast (Good Friday) Agreement 1998 and has been in operation since 1 March 1999, under its governing legislation, the Northern Ireland Act 1998, amended by the Justice and Security (Northern Ireland) Act 2007. We are a non-departmental public body (NDPB), with core funding provided by government through the Northern Ireland Office, and reporting to Parliament through the Secretary of State. This relationship was unaffected by the devolution, from 12 April 2010, of policing and justice from the UK Parliament to the Northern Ireland Assembly.

The Commission's role is to promote awareness of the importance of human rights, to review law and practice and to advise government on what steps need to be taken to fully protect human rights in Northern Ireland. We base our work on international human rights standards, including those of the United Nations (UN) and the Council of Europe. The Commission, in line with the 'Paris Principles' guidance of 1993, has 'A' status recognition at the UN as a national human rights institution. This gives us special access to the Human Rights Council, treaty bodies and other organisations (further information on the 'Paris Principles' is available at: [www.ohchr.org/english/law/parisprinciples](http://www.ohchr.org/english/law/parisprinciples)).

## What we do

The primary role of the Commission is to protect and promote the human rights of everyone in Northern Ireland. We do this by providing:

- legal assistance and strategic litigation
- policy and legislative scrutiny
- investigations and research
- reports on the government's international human rights treaty obligations
- education and training
- consultation and engagement
- public relations and promotional work
- information services and awareness-raising, and
- advice to government and other stakeholders.

## Powers and duties

The Commission's powers and duties are derived from sections 69 and 70 of the Northern Ireland Act 1998 and sections 14 to 16 of the Justice and Security (Northern Ireland) Act 2007. Under the 1998 Act as amended, the Commission has the following duties:

- to keep under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights
- to advise the Secretary of State for Northern Ireland and the Executive Committee of the Northern Ireland Assembly of legislative and other measures which ought to be taken to protect human rights

- to advise the Northern Ireland Assembly whether proposed legislation is compatible with human rights standards
- to promote understanding and awareness of the importance of human rights in Northern Ireland by, for example, undertaking or commissioning or otherwise assisting research and educational activities, and
- to provide advice to the Secretary of State for Northern Ireland on the scope for defining, in Westminster legislation, rights supplementary to those in the European Convention on Human Rights.
- to require a person to provide information and documents in their possession, and to give oral evidence, in respect of an investigation, and
- to enter a specified place of detention in Northern Ireland, in respect of an investigation.

### Vision

Our vision is to bring about a society in Northern Ireland where everyone is aware of their internationally recognised human rights and those of others and can enjoy those rights in a society which respects diversity and in which they can feel safe and valued.

### Mission

Our mission is to promote awareness of the importance of human rights, to review existing law, policy and practice and to advise government on what steps need to be taken to fully protect human rights in Northern Ireland.

### Values

The Commission is committed to carrying out its work in accordance with the following values:

- **Independence** – we are accountable for our funding but independent from any outside influence.
- **Participation** – we work to ensure that individuals and groups feel that the Commission is their Commission and to avail of people's expertise and share good practice in all areas of our work.
- **Accessibility** – we will ensure that our services are accessible to all and take account of the views expressed to us on our work. Our decisions will be clearly communicated and open to public scrutiny. We will strive to ensure

In addition, under sections 69 and 70 of the Northern Ireland Act 1998, the Commission has the following powers:

- to give assistance to individuals who apply to it for help in relation to proceedings involving law or practice concerning the protection of human rights
- to bring proceedings involving law or practice concerning the protection of human rights
- to conduct such investigations as it considers necessary or expedient for the purpose of exercising its other functions, and
- to publish its advice and the outcome of its research and investigations.

The Justice and Security (Northern Ireland) Act 2007 (sections 14 to 16 of which amended sections 69 and 71 of the 1998 Act) gives the Commission the following powers, with caveats:

- to institute, or intervene in, legal proceedings concerning human rights where it need not be a victim or potential victim of the unlawful act to which the proceedings relate

that all our public events are accessible and our publications are as easy to understand as possible.

- **Fairness** – we will conduct our work and build relationships with stakeholders in a professional, objective, and fair manner. We will be objective when assessing evidence, and use internationally accepted rules and principles on human rights as our baseline when doing so.
- **Effectiveness** – we will deliver an efficient and effective service to the people of Northern Ireland and demonstrate value for money.
- **Sustainability** – we are committed to the effective protection of the environment, including the prudent use of natural resources.

### Strategic aims

The Commission's aims and objectives for the period ending March 2011, as set out in its Strategic Plan for 2009-11, and operationalised through annual business plans, were as follows:

- building and embedding a human rights culture
- challenging and seeking to prevent human rights violations
- communicating and promoting human rights in an accessible way, and
- ensuring organisational effectiveness and efficiency.

### Achievement of aims and objectives in 2010-11

The Commission continued a programme of work, funded by The Atlantic Philanthropies, to explain the advice on a **Bill of Rights for Northern Ireland**, which included: provision of briefings to new MPs and Lords following the UK General

Election in May 2010, and to the British Irish Parliamentary Assembly which passed a motion in support of a Bill of Rights for Northern Ireland on 22 November 2010; visits to Westminster in October 2010 and March 2011 to meet Parliamentarians and other stakeholders; and numerous media engagements.

The Commission hosted a major international conference in September 2010 to consider and inform government debate on the future of human rights in the UK. There was widespread broadcast, print and online media coverage of this. A joint statement was issued during the event by the three UK national human rights institutions, calling upon the Government to ensure that the establishment of a UK Commission to investigate the possible creation of a British Bill of Rights would not delay the process of implementing a separate Bill of Rights for Northern Ireland. By the year end, government had agreed that development of the Bill of Rights for Northern Ireland should be the subject of a separate process.

The Commission undertook an analysis of the responses to the Northern Ireland Office's consultation document, *A Bill of Rights for Northern Ireland: Next Steps*, which showed five out of the seven political parties in the Northern Ireland Assembly and a large majority of non-government organisations supported the Commission's advice on the Bill of Rights.

The **Joint Committee** with the Irish Human Rights Commission met four times during the year and the two Commissions worked together on a number of joint projects, including the **Charter of Rights for the island of**

**Ireland.** At the year end, the Commissions agreed to write to the British-Irish Parliamentary Assembly to seek an invitation to address the forum on this. A joint press statement was issued in October 2010 calling for ratification by both Governments of International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, and to take other steps to equalise treaty protections in both jurisdictions.

The Commission undertook an extensive programme of human rights education work during the year to promote compliance by government departments and other public authorities with the Human Rights Act and other international treaties. The Commission's annual introductory training programme on human rights was delivered at workshops in Armagh, Belfast and Coleraine in autumn 2010, which were oversubscribed and received positive evaluations. Training on the International Convention on the Elimination of All Forms of Racial Discrimination was delivered in March 2011 in Dungannon to coincide with the International Day for the Elimination of Racism. Training for Social Workers was also delivered as part of Initial Professional Development Award for Qualified Social Workers. Other human rights education work included the delivery of training on teaching citizenship through human rights to teachers from integrated schools in April 2010, in conjunction with Amnesty International, and supported by the Northern Ireland Council for Integrated Education; participation in the Department of Education's Traveller Education Taskforce; and discussions with the Head of the Northern Ireland Civil Service and the Office of the First

Minister and deputy First Minister about a proposed Civil Service-wide human rights education programme, which is anticipated to begin in 2011-12.

The Commission continued to support strategic litigation in order to develop case law and achieve effective outcomes for individual complaints, particularly in regard to European Convention on Human Rights (ECHR) Article 2 and 3 issues, health and social care, and the accommodation needs of the Traveller community.

One of the most important cases progressed during the year was by way of intervention, which can offer a highly effective and cost-efficient means of influencing the development of legal precedent giving further effect to human rights law. In February 2011, the Commission, jointly with the Equality and Human Rights Commission, appeared at the Supreme Court to intervene in the hearing of the judicial review case of McCaughey and Quinn, which raises the question whether the duties on the State under Article 2 of the ECHR can be detachable, so as to apply the investigative aspect of it to deaths occurring before the commencement in October 2000 of the Human Rights Act 1998. If the Court adopts the reasoning advanced in our joint intervention, the scope of outstanding inquests into numerous conflict-related deaths predating the Act must ensure compliance with the obligation to investigate to the full Article 2 standards, the development of which by the Strasbourg Court was heavily influenced by earlier Northern Ireland cases. Judgment in the case is expected by early summer 2011.

The Commission is pursuing two cases in its own name: in respect of the failure to provide caravan sites for members of the Irish Traveller community as required by article 28A of the Housing (Northern Ireland) Order 1981, and to challenge the prohibition on adoption by same sex and unmarried couples in Northern Ireland. Other legal work included the continued support for two longstanding inquests into deaths that occurred during the conflict in Northern Ireland, a submission to the Secretary of State for Northern Ireland on human rights issues in respect of the killing of Patrick Finucane, and joint work with the Irish Human Rights Commission in respect of the inquest into the death of Denis Donaldson. The Commission received and responded to enquiries from almost 500 members of the public seeking legal advice in respect of human rights issues during 2010-11.

The Commission has also contributed to discussions concerning a proposed public inquiry into historic institutional abuse in Northern Ireland, including meetings with Ministers, officials and other stakeholders and preparing policy papers for consideration by the Executive.

The Commission engaged extensively with government during the year to provide **advice on legislation and policy**. The Commission made written submissions, and in some cases gave oral evidence, on ten Assembly Bills, which were finalised before the dissolution of the Assembly in March 2011, including the Justice Bill, the Damages (Asbestos-Related Conditions) Bill and the Caravans Bill. Submissions were also made in respect of Parliamentary legislation, including the Identity Documents Bill and the Protection of Freedoms Bill. The Commission played a proactive role in seeking to protect human

rights in respect of the impact on economic, social and cultural rights of the outcome of the government's Spending Review, which was concluded in October 2010, including exchanging correspondence with the Chancellor of the Exchequer and various Northern Ireland Departments, and providing advice to the Minister for Social Development on the implications of proposed changes to Disability Living Allowance. In all, the Commission made over 70 submissions in respect of legislation and policy on a range of human rights matters, including the renewal of non-jury trials in Northern Ireland, 'Stop and Search' counter terrorism powers, DNA retention, the Police (Northern Ireland) Act 2000: Review of Temporary Recruitment Provisions ('50:50' recruitment), the Common Travel Area, domestic violence, the Irish language and 'Earned Citizenship'.

The Commission engaged extensively with the Northern Ireland Executive and stakeholders on the provisions of the Public Assemblies, Parades and Protests (Northern Ireland) Bill and the associated Code of Conduct, and hosted a round table to brief stakeholders on the key human rights issues.

The Commission also engaged with the Prison Review and the Youth Justice Review during the year, including participating in meetings with the respective review teams and making written submissions. The Commission has used these reviews to continue to follow up its recommendations from previous investigations in respect of women and young people in detention, including further work in respect of alternatives to custody. The Commission also published online a research paper on the privatisation of prisons.



The Commission completed the fieldwork during 2010-11 in respect of its **investigation** into the rights of older people in residential care. This included receiving and following up over 200 calls from members of the public in respect of a call for evidence, fieldwork visits to different types of care homes across Northern Ireland, and expert examinations of medical records. The report of this investigation will be published in summer 2011.

The Commission continued to follow up the findings of the previous investigation into no recourse to public funds for certain categories of non-UK nationals, as contained in *No Home from Home: Homelessness for People with No or Limited Access to Public Funds*. Action plans were agreed and published with the key agencies involved in this investigation, and guidance on human rights training was provided to the Housing Executive. In parallel with this work, the Commission published in March 2011 a research report on access to publicly-funded medical care for Non-British/Irish citizens, which informed a round table event for key stakeholders from health and social care services and the racial equality sector to consider ways of tackling concerns in this area.

The Commission also continued to pursue the findings of research into the nature and extent of human trafficking, published jointly with the Equality Commission in early 2010, which including a meeting with the PSNI on this matter in November 2010.

Monitoring compliance with the UK's obligations under **international human rights treaties** was a particular focus of the Commission's work during 2010-11.

The Council of Europe's UK monitoring report on the European Charter for Regional or Minority Languages in April 2010 reflected issues raised by Commission, notably in respect of Westminster taking responsibility for an Irish Language Act. The Commission gave evidence on the Charter to the Assembly's Committee for Culture, Arts and Leisure and a briefing paper on this was prepared and circulated to MLAs ahead of an Assembly debate on an Irish Language Strategy in November 2011. In March 2011, the Commission hosted the visit to Northern Ireland of the Council of Europe's Advisory Committee on the Framework Convention for National Minorities, to collect evidence in respect of compliance with the Convention. The Commission submitted a detailed Parallel Report on this and provided oral evidence to the Advisory Committee.

Also in March 2011, the Commission made a submission to the UN Committee overseeing the International Convention for the Elimination of all forms of Racial Discrimination to inform the Committee's 'list of themes' for the UK's forthcoming examination. The Commission has engaged with Ministers and officials to discuss ways of improving Northern Ireland's input to UK treaty reporting. The Commission's work to define 'sectarianism', which draws on work on international human rights standards, was acknowledged by the Minister of Justice, and a range of other MLAs.

The Commission continued its work with the Equality Commission for Northern Ireland (ECNI) as the Independent Mechanism for Northern Ireland for the promotion, protection and monitoring of implementation of the **UN Convention on the Rights of Persons with Disabilities**

(UNCRPD). Legal opinion was obtained on the compatibility of the domestic legal framework with the provisions of the UNCRPD, and this has been used to prioritise work in this area. The Commission also participated in the UK Independent Mechanism for UNCRPD, involving the ECNI, the Equality and Human Rights Commission and the Scottish Human Rights Commission, including preparation for a joint Parallel Report after the official state report is submitted to the UN. Together with the Equality Commission, the Commission hosted a conference for stakeholders in December 2010 to raise awareness of the UNCRPD and the role of the Independent Mechanism. At the year end, the Commission embarked upon a series of workshops with disabled people, which will continue throughout 2011, to gather direct evidence on aspects of the UNCRPD, including the right to an adequate standard of living and to social protection, which will inform the Parallel Report.

The Commission's **information** function dealt with around 400 information requests on human rights issues during the year. One issue of the Commission's magazine, NIHRC Review, was published in January 2011, which focused on the need to protect economic, social and cultural rights at a time of austerity. The Commission also continued to publish its monthly e-newsletter on its work and human rights issues, which is circulated to over 2,000 stakeholders. Substantial progress was made in redeveloping the Commission's website to make it even more accessible, and the Commission continued to increase its presence on social networking sites to promote human rights: the Commission's Twitter service ([twitter.com/nihrc](https://twitter.com/nihrc)) and Facebook account ([facebook.com/nihrc](https://facebook.com/nihrc))

have over 800 and 600 followers respectively. The Commission also continued to engage extensively with stakeholders throughout the year, and two Commission meetings, with question and answer sessions for the public, local politicians and other stakeholders, were held outside of the Commission's offices, in Bangor and Dungannon respectively.

In terms of further developing organisational **effectiveness and efficiency**, the Commission secured considerable efficiency savings during the year to absorb a reduction in its budget for 2010–11, and these are described in the section below. Together with the Equality Commission, further funding was obtained from the Office for Disability Issues to support work in respect of the Independent Mechanism for the UNCRPD (the funding being held and accounted for by the Equality Commission). An external review of the Commission's management arrangements was completed in autumn 2010 and will inform further organisational developments in 2011-12. The Commission also completed a review of its corporate governance arrangements during the year and put in place a new Code of Governance, including revised Standing Orders, with effect from February 2011. Details of the Commission's performance in terms of financial management, prompt payment of invoices and internal audit findings are set out in the subsequent sections of this report.

By the year end, the Commission had developed, consulted on and finalised a new Strategic Plan for the period 2011-13, which takes account of the outcome of the Government Spending Review, which was concluded in October 2010,

and begun preparations for the appointment of new Commissioners in summer 2011.

### **Funding and financial accountability**

The Principal Accounting Officer (the Director General) of the Northern Ireland Office designates the Commission's Director as the Accounting Officer for the Northern Ireland Human Rights Commission.

The Commission operates under a Management Statement and Financial Memorandum agreed with the Northern Ireland Office (NIO), and financed by grant-in-aid, the allocation of which comes from the NIO Request for Resources 1.

The Commission's financial statements for 2010-11 have been prepared in accordance with the requirements of paragraph 7(2)(a) of Schedule 7 to the Northern Ireland Act 1998 and in a form directed by the Secretary of State for Northern Ireland with the approval of the Treasury. The financial statements demonstrate the resources we have used to deliver the Commission's objectives. These financial statements have been prepared in accordance with the guidance set out in the Government Financial Reporting Manual for 2010-11 (available at: [www.hm-treasury.gov.uk/frem](http://www.hm-treasury.gov.uk/frem)).

The Commission spent its agreed resource allocation from the Northern Ireland Office for 2010-11, save for a modest underspend. We also spent the remaining funding, received in 2010-11, from The Atlantic Philanthropies ([www.atlanticphilanthropies.org](http://www.atlanticphilanthropies.org)) to support the second phase of a two-year

programme of work to promote the Commission's advice on the Bill of Rights for Northern Ireland.

All the Commission's programmes are achieved through its staff and employment costs are the largest expenditure item. These costs increased in 2010-11 as a result of regrading a number of posts following the outcome of job evaluation, assimilation to a new pay system for Commission staff following changes in the Northern Ireland Office's pay arrangements, and a severance payment to the Commission's Chief Executive, which is described in the Remuneration Report. These additional employment costs were agreed with the NIO and funded in full by the Commission through efficiency savings.

We continued our longstanding commitment to support the families in two inquests into deaths that occurred in the 1990s, which are seen as key human rights cases from this jurisdiction at the Council of Europe and internationally. Each year the Commission reviews the accruals made in our accounts for these cases. However, our liability in respect of the inquests has been difficult to estimate accurately, given uncertainties over their duration, the number of witnesses likely to be called and the nature of their evidence to be given. This review showed in the previous year that the Commission needed to significantly increase its accruals for these cases, which accounts for the comparative decrease in legal casework costs in 2010-11.

Other notable aspects of the Commission's expenditure during 2010-11, as compared to the previous year, detailed in Note 4 to the accounts,

are highlighted below. Expenditure was reduced in the following areas:

- accountancy costs, where efficiency savings were achieved by bringing in-house most of the work to prepare the Commission's Annual Report and Accounts
- publications, where there was a decrease in the number of documents designed and printed compared to the previous year, which included the Commission's report of its investigation into homelessness for people with no or limited access to public funds (No Home from Home) and papers from a conference on faith and human rights (Rights and Righteousness)
- National Audit Office fees, which in the previous year included additional audit activity as part of the transition to the use of International Financial Reporting Standards (IFRS)
- Bill of Rights, with completion of a two-year programme of work to promote the Commission's advice on a Bill of Rights for Northern Ireland, which was funded entirely outside of the Commission's core grant-in-aid by The Atlantic Philanthropies, and for which the profile of expenditure was 'front loaded'. This programme of work included, in 2010-11, an international conference, which was accounted for under the 'Bill of Rights' rather than 'conference and seminars' expenditure, which meant that the latter appears less than the previous year
- building maintenance, which resulted in part from efficiency savings and a reduction in planned maintenance, and less reactive work being required in respect of the Commission's heating boilers, which required considerable attention in the previous year
- printing, postage and stationery, where efficiency savings were achieved
- external legal and human resource management advice, where there was a reduced requirement
- travel, subsistence and hospitality for meetings and events, where efficiency savings were achieved, and
- telephone line rental and usage, where efficiency savings were achieved.

There was also reduced expenditure resulting from the end of dedicated one-off funding in 2009-10 for the development of the Joint Committee with the Irish Human Rights Commission, and in respect of start-up funding, which was received in 2009-10 for the independent mechanism with the Equality Commission for Northern Ireland to monitor and promote implementation of the UN Convention on the Rights of Persons with Disabilities.

Expenditure increased in the following areas:

- consultancy, with the costs associated with the conduct and implementation of the outcome of a review of the Commission's management processes and structure
- employers and public liability and building insurance, where premiums increased
- investigations, which related to the Commission's investigation into the rights of older people in residential nursing care
- rent, where an increase in the rent for the Commission's offices is anticipated following the outcome of a Rent Review, and

- recruitment, where three recruitment exercises were conducted in 2010-11 compared to one in the previous year – these were to provide maternity cover for two posts, and for the replacement of the Chief Executive, all of which were approved by the NIO.

In addition, following a technical adjustment in the depreciation of leasehold improvements of the Commission's office, which were made in the previous year's accounts following the adoption of IFRS, depreciation costs have returned to previous levels (see Note 6 to the accounts for further information).

During the forthcoming financial year, the Commission aims to:

- implement a new Strategic Plan for the two-year period 2011-13
- induct a new cohort of Commissioners, including a new Chief Commissioner, who will be appointed by the Secretary of State for Northern Ireland in summer 2011
- continue to meet its required saving targets and absorb a further reduction in budget for 2011-12, and complete the restructuring of its Management Team
- publish and disseminate the report on the outcome of the Commission's investigation into the rights of older people in residential nursing care, and monitor the progress made by public authorities in implementing recommendations made following previous investigations
- undertake legal interventions in respect of human rights concerns
- advise government in Northern Ireland and at Westminster on the human rights implications of legislation and policy

- through research, education, publications and seminars, promote a culture and understanding of human rights across Northern Ireland, and
- work with government to secure implementation of the Commission's advice on a Bill of Rights for Northern Ireland, and work with the Irish Human Rights Commission to progress work on the Charter of Rights for the island of Ireland.

Further details of these activities are given in the Strategic Plan for 2011-13 and Business Plan for 2011-12, which are available on our website: [www.nihrc.org](http://www.nihrc.org).

### Commissioners and Management Team

The Commission is governed by its Commissioners. The following served as Commissioners during 2010-11:

- Professor Monica McWilliams
- Mr Tom Duncan
- Professor Colin Harvey
- Mr Alan Henry OBE
- Ms Ann Hope
- Mr Colm Larkin (until 30 November 2010)
- Mr Eamonn O'Neill (until 31 March 2011)
- Ms Geraldine Rice MBE

The Commission's Director is Ms Virginia McVea, who took up post on 28 March 2011, succeeding Mr Peter O'Neill. As Accounting Officer, the Director is responsible for maintaining a sound system of internal control. The Statement on Internal Control sets out how this responsibility has been discharged in 2010-11.

The Director is part of a Management Team with the Head of Communications

and Education, Head of Corporate Services, and Head of Legal Services, Policy and Research, the posts of which are filled by Dr David Russell, Mr Don Leeson and Mr Ciarán Ó Maoláin, respectively.

Details of remuneration can be found in the Remuneration Report. A register of interests of the Commissioners and the Management Team can be found on our website: [www.nihrc.org](http://www.nihrc.org).

### Corporate governance and risk management

The Commission is committed to ensuring a high standard of corporate governance. We have responsibility for defining strategy and determining resource allocations to ensure the delivery of the Commission's objectives. There is a corporate structure of committees that have clear terms of reference to support the Commission.

All Commissioners have received training in the role and responsibilities of board members of non-departmental public bodies, and induction into the work of the Commission.

The Commission has a risk management framework in place to identify risks and minimise as far as possible the likelihood of identified risks occurring and their impact.

During the year we completed work on, and implemented, a new Code of Governance to replace and update the Code of Practice for Commissioners.

Restructuring as a result of the 2010 Operational Review of the Senior Management Team, which came into effect in July 2011, resulted in the reduction of two posts overall within the Commission.

### Audit and Risk Management Committee

The Commission's Audit and Risk Management Committee met four times during the year. The Committee is chaired by an external chairperson to ensure independence and access to a full range of financial and governance expertise.

The Audit and Risk Management Committee comprises:

- Dr Bill Smith (Independent Chairperson)
- Mr Alan Henry OBE
- Ms Ann Hope
- Mr Eamonn O'Neill (until 31 March 2011)
- Ms Geraldine Rice MBE

The Director, Head of Corporate Services, Internal Auditor and External Auditor attend Audit and Risk Management Committee meetings.

The Audit and Risk Management Committee supports the Accounting Officer, and the Commission, by monitoring and reviewing the risk, control and governance systems, and the associated assurance processes. This is achieved by providing an independent perspective and through a process of constructive challenge. The Chairperson or nominated Committee member reports on the activities of the Audit and Risk Management Committee at Commission meetings. Minutes of Audit and Risk Management Committee meetings are circulated to all Commissioners.

### Auditors

The financial statements are audited by the Comptroller and Auditor General.

The audit fee for this year is £8,000 (2009-10: £8,000 – an audit fee of £2,800 was

also incurred from a separate audit of the Commission's financial statements for the previous year as restated using International Financial Reporting Standards).

The Commission's internal audit is provided independently by ASM.

### **Sustainability**

#### **Environmental policy**

We are committed to helping to protect the environment. We seek to do this through recycling paper and card, plastic bottles, and cans; using 100 per cent recycled paper; and encouraging staff to turn off lights and electronic equipment when not in use. The Commission's paper recycling programme has saved at least 19 trees from destruction in 2010-11. Energy saving activities help ensure that the Commission's light and heat costs are kept to a minimum.

#### **Communities**

The Commission seeks to support charitable work. We do this through the operation of a payroll-giving scheme which enables Commissioners and staff to make tax effective donations to charity. We also allow community and voluntary sector organisations to use our meeting facilities when possible, and we encourage social events for Commissioners and staff to raise funds for charity.

#### **Suppliers**

Where available, we buy from Fair Trade sources and the Commission is a member of Fairtrade Belfast.

### **Creditor payment, policy and performance**

Monthly statistics submitted to the Northern Ireland Office highlight that the Commission has paid 89 per cent of all undisputed invoices within five working days, since September 2010 when it was notified of the new Government target of paying 80 per cent of such invoices within this time period.

The Commission made over 98 per cent of payments to suppliers within 10 working days during the financial year (2009-10: 96 per cent).

In addition, the Commission supports 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. The prompt payment code was developed in partnership with the Institute of Credit Management and aims to establish a clear and consistent policy in the payment of business bills. Further details about this are available at: [www.promptpaymentcode.org.uk](http://www.promptpaymentcode.org.uk).

### **Research and development**

The Commission engages in research and development work on human rights and the support of individual cases. These research reports are listed are available on our website: [www.nihrc.org](http://www.nihrc.org).

## Staff issues

### Equal opportunities policy (including that for the employment of disabled people)

We are fundamentally committed to equality of opportunity in accordance with our Equality Scheme, prepared under Section 75 of the Northern Ireland Act 1998. The Commission therefore strives to promote equality of opportunity within the organisation as well as in the activities it conducts. We strive to comply fully with our statutory obligations and we liaise closely with the Equality Commission for Northern Ireland to ensure we work together effectively.

We aim to be an exemplar in how we meet the requirements of the Disability Discrimination Act 1995 and associated legislation, and aim to ensure that disability is not a bar to recruitment or advancement. All disabled applicants who meet the essential criteria for posts with the Commission are guaranteed an interview.

Our work to promote positive attitudes towards disabled people and encourage participation by disabled people in public life are set out in our annual report to the Equality Commission for Northern Ireland, on the discharge of our duties under the Disability Discrimination Order 2006. This report is available on our website: [www.nihrc.org](http://www.nihrc.org).

### Learning and development

During the year we continued to give high priority to training and developing our entire staff to enhance their professionalism to support the Commission's objectives. Several staff are enrolled on a range of courses, including Masters degree level programmes.

We are working towards achieving the Investors in People Standard.

### Employee consultation

Our Strategic Plan is implemented through our staff. We recognise that involving staff in planning and decision-making is essential in achieving business objectives. Staff involvement is maximised through the combined use of, for example, regular team meetings, staff briefings, an annual staff residential and joint staff/union consultative meetings. The Northern Ireland Public Service Alliance (NIPSA) is the Commission's recognised trade union.

### Health and safety

We recognise and accept our legal responsibilities in relation to the health, safety and welfare of our employees and for all people using our premises. We comply with the Health and Safety at Work (Northern Ireland) Order 1978 and all other appropriate legislation.

The Commission's Joint Negotiating and Consultative Committee with NIPSA, which meets quarterly, also functions as the Commission's Health and Safety Management Committee, and health and safety matters are a standing item on JNCC agendas.

Three members of staff have been trained in first aid, with one designated as the Health and Safety Officer.

The Commission uses an Employee Assistance Programme which provides 24-hour access to counselling and support services for Commissioners, staff and close family members.



### Personal data

We are committed to safeguarding personal data we hold. Risks in this area are recorded in the Commission's risk register and the Audit and Risk Management Committee receives regular reports on activities to minimise the likelihood of the occurrence of these, and other, risks. No personal data-related incidents occurred during 2010-11.

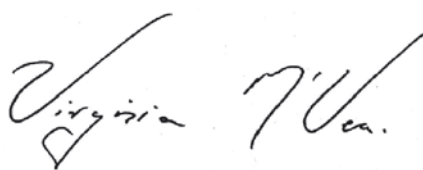
### Days lost due to absence

The Commission encourages a culture where good attendance is expected and valued. However, we recognise that from time to time absences for medical reasons may be unavoidable. We aim to treat staff who are ill with sympathy and fairness and where possible provide them with support which will enable them to recover their health and attend work regularly. This approach is reflected in the Commission's Leave and Attendance Management Policy, which has been agreed with NIPSA.

In 2010-11, the percentage of working days lost was 4.6 per cent or an average of 10 days a year per employee (2009-10: 6.6 per cent and 16 days respectively). This is an improvement on the previous year.

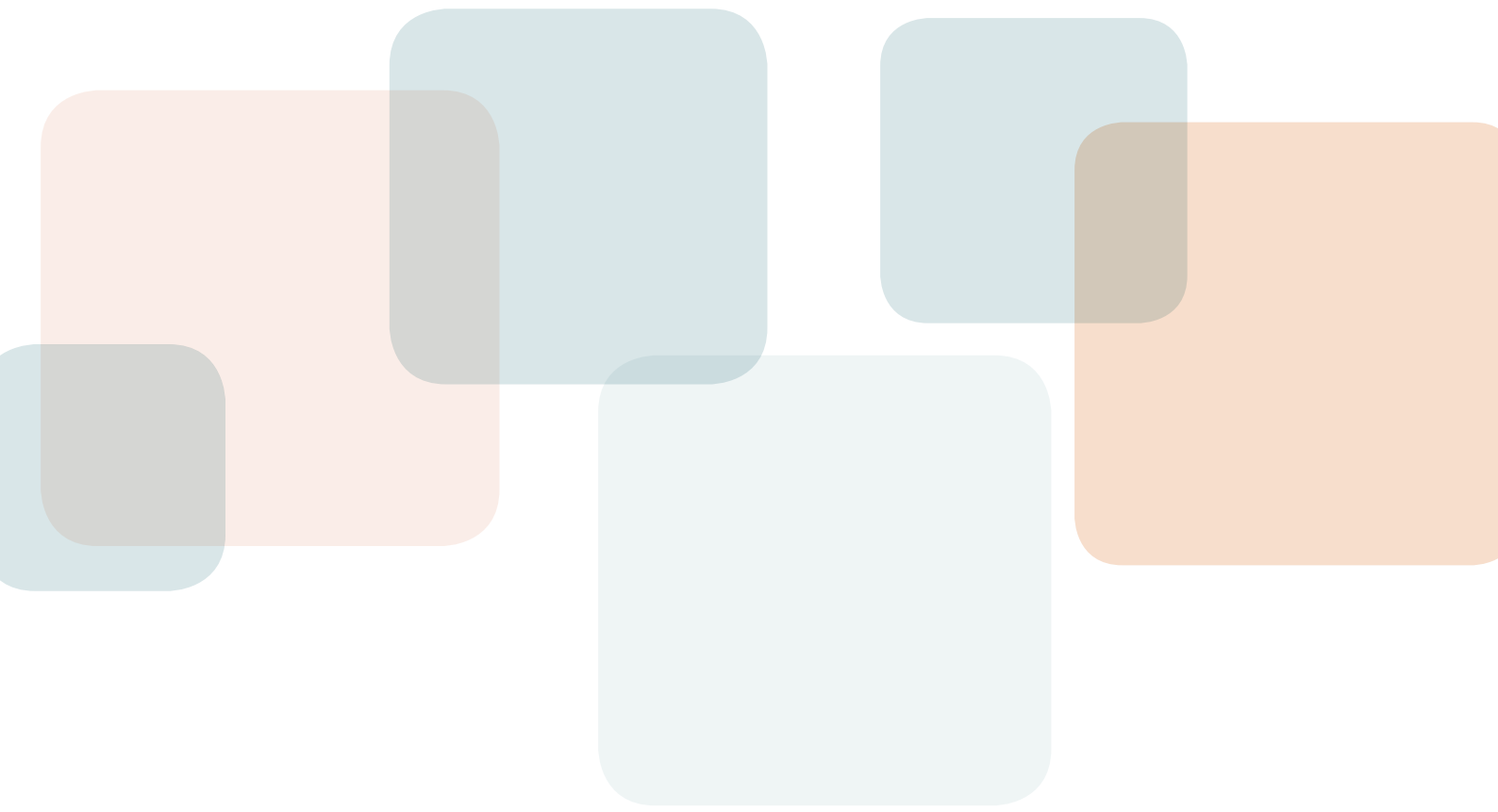
### Disclosure of audit information

As Accounting Officer, I confirm that I have taken all steps to ensure that I am aware of any relevant audit information and to ensure the Commission's auditors are aware of that information. As far as I am aware, there is no relevant information of which the Commission's auditors are unaware. The auditor has not received any remuneration for non-audit work



**Virginia McVea**  
**Accounting Officer**

# Accounts



# Remuneration Report

## Remuneration policy

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

The Director's post is graded within the Senior Civil Service (SCS). Pay and performance management arrangements for this post are in line with guidance issued by the Cabinet Office: Guidance for Approval of Senior Pay (applicable from June 2010) and HR Practitioners' Guide to SCS Reward, Benefits & Recruitment for 2010–11. Increases in the Director's base pay, and the level of performance-related bonuses, are linked to average increases for SCS staff within the Northern Ireland Office.

Previously, the remuneration of Commission staff was set within Northern Ireland Office pay structures. Following changes to these in April 2010, the Commission changed its pay arrangements to align them with those of the Northern Ireland Civil Service, in common with its sister organisations. These pay arrangements continue to be performance-related. Performance is appraised by line managers in respect of achievement of agreed objectives. The Commission is not involved in NICS pay negotiations.

The Chairperson of the Commission's Audit and Risk Management Committee was appointed through open competition from 1 March 2006. The Chairperson is remunerated at a rate of £320 per meeting (the Committee usually meets six times per year) and £320 per day (pro rata) for other work undertaken on behalf of, and at the request of, the Commission.

## Contracts of employment

The Chief Commissioner and Commissioners are public appointments made by the Secretary of State for Northern Ireland in line with the requirements of the Northern Ireland Act 1998 and guidelines laid down by the Commissioner for Public Appointments ([www.ocpa.gov.uk](http://www.ocpa.gov.uk)). Appointments cannot be for more than five years at a time for the Chief Commissioner and for more than three years at a time for Commissioners. There is an option for a second term of appointment, at the Secretary of State's discretion.

Staff appointments are made in accordance with the Commission's recruitment and selection policy, which requires appointments to be made strictly on merit and through fair and open competition. Early termination, other than for misconduct, would normally result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The Commission's age retirement policy enables members of staff who have reached the age at which they are entitled to draw their Commission pension (which for most staff is their sixtieth birthday) to choose the age at which they will retire.

## Remuneration (audited information)

The following section provides details of the remuneration and pension interests of the Commissioners and the Commission's Management Team.

|   | <b>2011<br/>£'000</b> | 2010<br>£'000 |
|---|-----------------------|---------------|
| <b>Professor Monica McWilliams</b><br>Chief Commissioner                  | 75-80                 | 75-80         |
| <b>Mr Thomas Duncan</b><br>Commissioner                                   | 5-10                  | 5-10          |
| <b>Professor Colin Harvey</b><br>Commissioner                             | 5-10                  | 5-10          |
| <b>Mr Alan Henry OBE</b><br>Commissioner                                  | 5-10                  | 5-10          |
| <b>Ms Ann Hope</b><br>Commissioner  | 5-10                  | 5-10          |
| <b>Mr Colm Larkin</b><br>Commissioner (until 30 November 2010)            | 5-10 <sup>1</sup>     | 5-10          |
| <b>Mr Eamonn O'Neill</b><br>Commissioner (until 31 March 2011)            | 5-10                  | 5-10          |
| <b>Ms Geraldine Rice MBE</b><br>Commissioner                              | 5-10                  | 5-10          |
| <b>Dr Bill Smith</b><br>Chair of the Audit and Risk Management Committee  | 10-15                 | 5-10          |
| <b>Mr Peter O'Neill</b><br>Chief Executive (until 30 November 2010)       | 45-50 <sup>2</sup>    | 55-60         |
| <b>Ms Virginia McVea</b><br>Director (from 28 March 2011)                 | 0-5 <sup>3</sup>      | n/a           |
| <b>Mr Don Leeson</b><br>Head of Corporate Services                        | 45-50 <sup>4</sup>    | n/a           |
| <b>Mr Ciarán Ó Maoláin</b><br>Head of Legal Services, Policy and Research | 45-50 <sup>4</sup>    | n/a           |
| <b>Dr David Russell</b><br>Head of Communications and Education           | 40-45 <sup>4</sup>    | n/a           |

1. Figure quoted is for the period 1 April 2010 to 30 November 2010. The full year equivalent is £5-10k.
2. Figure quoted is for the period 1 April 2010 to 30 November 2010 plus payments in lieu of notice. The full year equivalent is £55-60k. Severance payment excluded – see page 36.
3. Figure quoted is for the period 28 March 2011 to 31 March 2011. The full year equivalent is £55-60k.
4. Members of the Management Team, other than the Chief Executive / Director, are included in the Remuneration Report for the first time in 2010-11.

## Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; and any other allowance subject to UK taxation.

This presentation is based on accrued payments made by the Commission and thus recorded in these accounts.

## 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 (salary).

No benefits in kind were received during the 2010–11 financial year (2009–10: £nil).

## Bonuses

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

No bonus payments have been made in respect of the performance in 2010-11 of the Commissioners and staff included in the Remuneration Report (2009-10: £nil).

## Pension benefits (audited information)

### Commissioners

The Commission is liable for pension contributions of £11,005 to the University of Ulster for the year ended 31 March 2011 for Professor Monica McWilliams (2009–10: £10,264).

No further pension contributions were made for Commissioners in the year ended 31 March 2011 (2009–10: £nil).

### Chairperson of the Audit and Risk Management Committee

Pension contributions of £1,930 were made for the Chairperson of the Audit and Risk Management Committee (2009-10: £1,063).

## Management Team

|  | Accrued pension at pension age as at 31/3/11 and related lump sum | Real increase in pension and related lump sum at pension age | CETV at 31/3/11 | CETV at 31/3/10* | Real increase in CETV | Employer contribution to partnership pension account |
|--|---|--|-----------------|------------------|-----------------------|--|
|  | £'000   | £'000  | £'000           | £'000            | £'000                 | Nearest £100   |
| <b>Peter O'Neill</b><br>Chief Executive<br>(until 30/11/10)            | 5-10 plus lump sum of 0-5   | 0-2.5 plus lump sum of 0-2.5                                 | 85              | 72               | 7                     | –  |
| <b>Virginia McVea</b><br>Director                                      | 0-5 plus lump sum of 0-5  | 0-2.5 plus lump sum of 0-2.5                                 | 25              | 24               | –                     | –  |
| <b>Don Leeson</b><br>Head of Corporate Services                        | 10-15 plus lump sum of 35-40                                      | 0-2.5 plus lump sum of 0-2.5                                 | 208             | 189              | 6                     | –  |
| <b>Ciarán Ó Maoláin</b><br>Head of Legal Services, Policy and Research | 0-5 plus lump sum of 10-15  | 0-2.5 plus lump sum of 0-2.5                                 | 83              | 67               | 9                     | –  |
| <b>David Russell</b><br>Head of Communications and Education           | 5-10 plus lump sum of 0-5   | 0-2.5 plus lump sum of 0-2.5                                 | 34              | 27               | 3                     | –  |

\* The actuarial factors used to calculate CETVs were changed in 2010-11. The CETVs at 31/3/10 and 31/3/11 have both been calculated using the new factors, for consistency. The CETV at 31/3/10 therefore differs from the corresponding figure in last year's report, which was calculated using the previous factors.

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, Commission staff 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 per cent of pensionable earnings for classic and 3.5 per cent 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 1 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 his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent 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 per cent and 12.5 per cent (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 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

### 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.

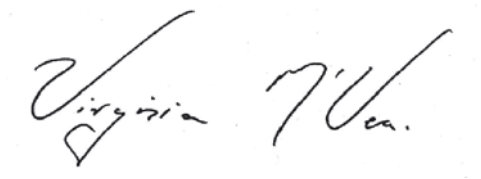
The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own 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.

### Severance payment

A severance payment of £25-30k was paid to the Chief Executive during 2010-11. This was in respect of an agreed termination of contract, which was made in accordance with the guidance set out in Annex 4.13 of Managing Public Money.



Virginia McVea  
**Accounting Officer**

Date: 5 September 2011



## Statement of Accounting Officer's Responsibilities

Under Section 7(2)(a) of Schedule 7 to the Northern Ireland Act 1998, the Secretary of State for Northern Ireland (with the consent of HM Treasury) has directed the Northern Ireland Human Rights Commission 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 Northern Ireland Human Rights Commission's state of affairs at the year end 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 HM Treasury's Financial Reporting Manual and, in particular, to:

- observe the Accounts Direction issued by the Secretary of State for Northern Ireland, 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 as set out in the HM Treasury's Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Director as Accounting Officer of the Northern Ireland Human Rights Commission. 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 Northern Ireland Human Rights Commission's assets, are set out in Managing Public Money, published by HM Treasury.

# Statement on Internal Control

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Human Rights Commission's policies, aims and objectives, as set by Commissioners, and approved by the Secretary of State for Northern Ireland, whilst safeguarding the public funds and the Commission's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The Chief Commissioner and Commissioners have corporate responsibility for promoting the efficient and effective use of staff and other resources by the Commission, demonstrating high standards of corporate governance at all times. This role includes ensuring that they receive and review regular financial information concerning the management of the Commission, are informed in a timely manner about any concerns about the activities of the Commission, and provide assurance to the sponsoring Department that appropriate action has been taken on such concerns.

The Commission is a non-departmental public body (NDPB), sponsored by the Northern Ireland Office, responsible to Parliament through the Secretary of State for Northern Ireland. As such, discussions on financial matters and risk are normally held with officials at the NIO, rather than directly with Ministers. However, the Chief Commissioner and Commissioners have access to the Secretary of State on request.

## 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 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 Commission for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to handle risk

The Commission's risk management framework, which is set out below, involves all Commissioners and staff in reviewing and assessing risk on a regular basis, so that risk is an integral part of the ongoing planning and monitoring processes of the Commission.

Commissioners and staff have received training on risk management. During 2010-11, all staff underwent awareness training in respect of managing information risks (see below).

The Chairperson of the Commission's Audit and Risk Management Committee, who is independent of the Commission, also provides an additional source of expertise for management and Commissioners to consult on specific issues as they arise.

## The risk and control framework

The Commission has a continuous, proactive and systematic approach to understand, manage and communicate risk across the organisation. The risk management framework is comprehensive and involves Commissioners, managers and staff as follows:

- overall responsibility for ensuring that risks are identified and an appropriate framework is in place to manage those risks down to an acceptable level rests with the Commission's Accounting Officer
- individual members of the Management Team are nominated as 'risk owners', delegated with responsibility from the Director for monitoring and reporting on specific risks within their area of work (during 2011/12, following the restructure of the Management Team all risks will be owned either by the Director or Deputy Director)
- the risk register, and the effectiveness of activities to manage identified risks, is reviewed monthly by the Management Team
- the Audit and Risk Management Committee, which normally meets every other month, reviews the entire risk register and reports to the Commission, through the Head of Corporate Services, on the effectiveness of activities to manage identified risks following each meeting
- standing committees of the Commission consider specific identified risks within their remit and the work being undertaken to minimise the occurrence and impact of the risks to ensure that it is effective, and report on this at each Commission meeting through the appropriate staff report

- the Commission formally reviews the risk register and the effectiveness of the risk management framework annually, and
- the external environment is assessed for any new risks as part of the annual business planning process.

Information risk is managed by the Commission within the context of the risk management framework. The Commission seeks to manage down the likelihood of the risk materialising through an Information Assurance Policy and Information and Communications Technology (ICT) policies and procedures, supported by training for staff on these. During 2010–11, all staff completed an online training package called 'Protecting Information', which has been developed by the National School for Government, and covers the fundamentals of information security.

## 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 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 result of my review of the effectiveness of the system of internal control by the Commission (the Board), the Audit and Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit and Risk Management Committee comprises an independent Chairperson, who has extensive financial management experience at a senior level in the public sector, who was appointed following an open recruitment competition, and up to four Commissioners with a range of experience in corporate governance. Both the Commission's internal and external auditors also attend Audit and Risk Management Committee meetings, as will a representative of the Northern Ireland Office from May 2011.

Audit and Risk Management Committee minutes are tabled at Commission meetings and the Committee reports annually to the Commission. Furthermore, the Chairperson has direct access to the Director and Chief Commissioner as appropriate.

The Audit and Risk Management Committee reviews its effectiveness by assessing its operation and constitution against good practice guidelines issued by the National Audit Office. It also benchmarks itself against practice in sister organisations, through discussions between the Chair of the Audit and Risk Management Committee and his counterparts. In 2010-11, the Committee benchmarked itself against its equivalent in the Office of the Police Ombudsman for Northern Ireland.

An annual Learning and Development Plan is agreed for the Audit and Risk Management Committee each year to help ensure that Committee members have the knowledge and skills to perform their role effectively and maintain a focus on continuous improvement.

The Audit and Risk Management Committee reviews the effectiveness of the Commission's internal control mechanisms, including receiving and approving internal audit plans and reports, approving the Commission's Financial Procedures Manual and significant changes to it, overseeing the risk management framework and reporting to the Commission on the effectiveness of activities to manage the occurrence or impact of identified risks. The Committee also reviews all international travel undertaken by Commissioners and staff, expenses claims submitted by the Chief Commissioner and the Director (and, previously, those of the Chief Executive), and purchases over £1,000, with a particular focus on any contracts let by single tender action.

The Commission's Strategic Internal Audit Plan covered the period 2008-11 (a plan for the next period will be developed during 2011-12). This focused audit activity on areas of greatest risk, and provided comprehensive assurance of the effectiveness of our system of internal control. The most recent audit took place in November 2010 and covered:

- corporate governance arrangements
- information systems
- communications and education

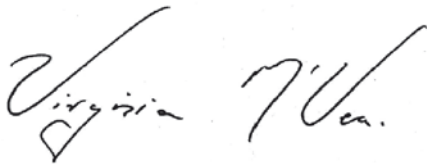
It also followed up on recommendations arising from the previous internal audit that took place in 2009.

The internal audit concluded that the overall level of control within the Commission is satisfactory, and identified areas for further improvement, for which an action plan was agreed by the Commission's Audit and Risk Management Committee – progress in implementing the action plan is reported to each Committee meeting.

Commissioners receive bi-monthly reports on financial performance and audit activity, and regular updates on the risk register. The recent internal audit awarded a substantial assurance rating to the financial and management information provided.

### Significant internal control issues

There are no significant internal control issues within the Commission at present.

A handwritten signature in black ink that reads "Virginia McVea". The signature is written in a cursive style with a large initial 'V'.

Virginia McVea  
**Accounting Officer**

Date: 5 September 2011

# 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 Northern Ireland Human Rights Commission for the year ended 31 March 2011 under the Northern Ireland Act 1998. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, 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 Accounting Officer and auditor

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

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Human

Rights Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Human Rights Commission; 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.

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 Northern Ireland Human Rights Commission's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the 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 issued under the Northern Ireland Act 1998; and
- the information given in the Chief Commissioner's Foreword and Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

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

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

## Report

I have no observations to make on these financial statements.

Amyas C E Morse  
**Comptroller and Auditor General**

National Audit Office  
157–197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

Date: 7 September 2011

# Financial Statements

## for the Year Ended 31 March 2011

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

|  | Notes | 2011<br>£        | 2010<br>As restated<br>£ |
|--|-------|------------------|--------------------------|
| <b>Expenditure</b>   |       |                  |                          |
| Staff costs  | 3     | 1,144,694        | 1,052,447                |
| Other Operating costs  | 4     | 522,552          | 682,728                  |
| Depreciation   | 4     | 63,224           | 32,428                   |
| Net (upward)/downward revaluation<br>(credited)/charged to General Reserve | 4     | (5,025)          | 22,905                   |
| <b>Total expenditure</b>   |       | <b>1,725,445</b> | <b>1,790,508</b>         |
| <b>Income</b>  |       |                  |                          |
| Other income   | 5     | (33,649)         | (91,915)                 |
| <b>Total income</b>  |       | <b>(33,649)</b>  | <b>(91,915)</b>          |
| <b>Net expenditure</b>   |       | <b>1,691,796</b> | <b>1,698,593</b>         |
| Interest payable   | 1.8   | 74               | 93                       |
| <b>Net expenditure after interest</b>                                      |       | <b>1,691,870</b> | <b>1,698,686</b>         |
| <b>Other Comprehensive Expenditure</b>                                     |       |                  |                          |
| Net loss on revaluation of property  |       | –                | 7,095                    |
| <b>Total Comprehensive Expenditure<br/>for the year ended 31 March</b>     |       | <b>1,691,870</b> | <b>1,705,781</b>         |

All amounts above relate to continuing activities.

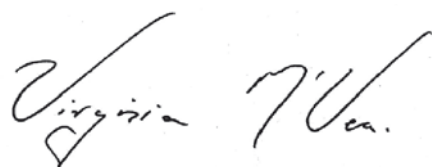
The notes on pages 43 to 56 form part of the financial statements.



## Statement of Financial Position as at 31 March 2011

|  | Notes | 2011    |               | 2010    |                |
|--|-------|---------|---------------|---------|----------------|
|  |       | £       | £             | £       | £              |
| <b>Non-current assets:</b>                             |       |         |               |         |                |
| Property, plant and equipment                          | 6     |         | 182,537       |         | 237,928        |
| Total non-current assets                               |       |         | 182,537       |         | 237,928        |
| <b>Current assets:</b>                                 |       |         |               |         |                |
| Trade and other receivables                            | 8     | 38,698  |               | 42,841  |                |
| Cash and cash equivalents                              | 9     | 282,572 |               | 355,709 |                |
| <b>Total current assets</b>                            |       |         | 321,270       |         | 398,550        |
| <b>Total assets</b>                                    |       |         | 503,807       |         | 636,478        |
| <b>Current liabilities:</b>                            |       |         |               |         |                |
| Trade and other payables                               | 10    |         | (444,297)     |         | (522,402)      |
| <b>Total current liabilities</b>                       |       |         | (444,297)     |         | (522,402)      |
| <b>Non-current assets less net current liabilities</b> |       |         | 59,510        |         | 114,076        |
| <b>Non-current liabilities:</b>                        |       |         |               |         |                |
| Other payables   | 10    |         | (531)         |         | (1,227)        |
| <b>Assets less liabilities</b>                         |       |         | <b>58,979</b> |         | <b>112,849</b> |
| <b>Taxpayers Equity</b>                                |       |         |               |         |                |
| Revaluation reserve                                    |       |         | –             |         | –              |
| General reserve  |       |         | 58,979        |         | 112,849        |
|  |       |         | <b>58,979</b> |         | <b>112,849</b> |

The financial statements on pages 39 to 56 were approved by the Commission on 23 May 2011 and were signed on its behalf by:



**Virginia McVea**  
Accounting Officer

Date: 5 September 2011

The notes on pages 43 to 56 form part of the financial statements.

## Statement of Cash Flows for the Year Ended 31 March 2011

|   | Notes | 2011<br>£          | 2010<br>(as restated)<br>£ |
|---|-------|--------------------|----------------------------|
| <b>Cash flows from operating activities</b>   |       |                    |                            |
| Net Expenditure after interest  |       | (1,691,870)        | (1,698,686)                |
| Decrease/(increase) in trade and other receivables  | 8     | 4,143              | (20,458)                   |
| <i>Less movements in receivables relating to Items not passing through the Statement of Comprehensive Net Expenditure</i> |       | –                  | –                          |
| (Decrease)/increase in trade payables   | 10    | (78,801)           | 170,819                    |
| Depreciation  | 4     | 63,224             | 32,428                     |
| Net (upward)/downward property revaluation  | 4     | (5,025)            | 22,905                     |
| <b>Net cash outflow from operating activities</b>   |       | <b>(1,708,329)</b> | <b>(1,492,992)</b>         |
| <b>Cash flows from investment activities</b>  |       |                    |                            |
| Purchase of property, plant and equipment   | 6     | (2,808)            | (18,198)                   |
| <b>Net cash outflow from investing activities</b>   |       | <b>(2,808)</b>     | <b>(18,198)</b>            |
| Cash flows from financing activities  |       | 1,638,000          | 1,657,000                  |
| <b>Net cash outflow from financing activities</b>   |       | <b>1,638,000</b>   | <b>1,657,000</b>           |
| <b>Net (decrease)/increase in cash and cash equivalents in the period</b>   | 9     | <b>(73,137)</b>    | <b>145,810</b>             |
| <b>Cash and cash equivalents at the beginning of the period</b>   | 9     | <b>355,709</b>     | <b>209,899</b>             |
| <b>Cash and cash equivalents at the end of the period</b>   | 9     | <b>282,572</b>     | <b>355,709</b>             |

The notes on pages 43 to 56 form part of the financial statements.

## Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2011

|   | Revaluation<br>Reserve | General<br>Reserve | Total<br>Reserves  |
|---|------------------------|--------------------|--------------------|
| Notes   | £                      | £                  | £                  |
| <b>Changes in taxpayers' equity for 2009-10</b>                                   |                        |                    |                    |
| <b>Balance at 1 April 2009</b>  | <b>7,095</b>           | <b>154,535</b>     | <b>161,630</b>     |
| Release of reserves to Statement of<br>Comprehensive Net Expenditure, as restated | –                      | (1,698,593)        | (1,698,593)        |
| Revaluation of Leasehold improvements   | (7,095)                | –                  | (7,095)            |
| Interest payable  | –                      | (93)               | (93)               |
| <b>1.8</b>  |                        |                    |                    |
| <b>Total recognised income and expense for 2009-10</b>                            | <b>(7,095)</b>         | <b>(1,698,686)</b> | <b>(1,705,781)</b> |
| Grants from NIO   | –                      | <b>1,657,000</b>   | <b>1,657,000</b>   |
| <b>Balance at 31 March 2010</b>   | <b>–</b>               | <b>112,849</b>     | <b>112,849</b>     |
| <b>Changes in taxpayers' equity for 2010-11</b>                                   |                        |                    |                    |
| Release of reserves to<br>Statement of Comprehensive Net Expenditure              | –                      | (1,691,796)        | (1,691,796)        |
| Revaluation of Leasehold improvements   | –                      | –                  | –                  |
| Interest payable  | –                      | (74)               | (74)               |
| <b>1.8</b>  |                        |                    |                    |
| <b>Total recognised income and expense for 2010-11</b>                            | <b>–</b>               | <b>(1,691,870)</b> | <b>(1,691,870)</b> |
| Grants from NIO   | –                      | <b>1,638,000</b>   | <b>1,638,000</b>   |
| <b>Balance at 31 March 2011</b>   | <b>–</b>               | <b>58,979</b>      | <b>58,979</b>      |

The notes on pages 43 to 56 form part of the financial statements.

# Notes to the Financial Statements for the Year Ended 31 March 2011

## 1a. Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) for 2010-11, 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 Northern Ireland Human Rights Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Human Rights Commission for the year ending 31 March 2011 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Accounting convention

The financial statements have been prepared in accordance with the historical cost convention.

The accounts comply with the accounting standards issued or adopted by the Accounting Standards Board, FReM and accounting and disclosure requirements issued by HM 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 the Commission to exercise 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 1.6.

#### (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 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2011

The Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2010-11 and which are relevant to its operations. The Commission considers that the adoption of these standards has not had a significant impact on its results or financial position.

### 1.4 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 1 April 2011, or later periods, but which the Commission has not adopted early. The Commission does not anticipate that the adoption of these standards will have a material impact on the Commission's accounts in the period of initial application.

### 1.5 Income

Revenue grant-in-aid represents funding from the Northern Ireland Office to fund the Commission's current expenditure and, in accordance with the FReM, is credited to the General Reserve.

Other income is received from contributions to joint research and other projects, and delegate fees in respect of conferences and events, and is credited to the Statement of Comprehensive Net Expenditure as Operating Income.

### 1.6 Property, plant and equipment and depreciation

Property plant and equipment comprises leasehold improvements to Temple Court, fixtures and fittings and information technology equipment.

Items of property, plant and equipment are capitalised if they are intended for use on a continuous basis and their individual original purchase cost is £1,000 or more. Items with an individual cost of less than £1,000 but, when taken together, represent a significant investment will be grouped.

Leasehold improvement expenditure has been capitalised and is restated at current cost using professional valuations. Valuations are carried out annually using indices compiled by the Office for National Statistics, and every third year by professional external valuers employed by the Land and Property Services (Valuations) in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors, as at 31 March. The unexpired term in respect of the lease for the Commission's offices at Temple Court, 39 North Street, Belfast, BT1 1NA is four years.

Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of property, plant and equipment is credited to the Revaluation Reserve unless it reverses a revaluation decrease of the same asset previously charged to the Statement of Comprehensive Net Expenditure;

- Losses arising from the revaluation of property, plant and equipment are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

All property, plant and equipment is reviewed annually for impairment.

All other property, plant and equipment is valued on the basis of historical cost less depreciation as an approximation of fair value due to short life or low value of the individual assets.

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:

|                                   |   |
|-----------------------------------|---|
| Leasehold improvements:           | 10 years (or the life of the lease, whichever is least) |
| Computer equipment:               | 3 years   |
| Fixtures, fittings and equipment: | 5 years   |

### 1.7 Operating leases

Rentals payable under operating leases are charged against the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term.

### 1.8 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).

### 1.9 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) 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 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.

### 1.10 Value Added Tax

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

### 1.11 Legal casework expenditure

Section 70 of the Northern Ireland Act 1998 enables the Commission to support legal cases in relation to the protection of human rights. Some of these cases can span several years.

In some cases, costs are recoverable from the respondent if the applicant is successful. Given this, while the Commission decides to support cases, contingent on the outcome, payments are not normally made until judgment is passed, and the judge decides on a cost order (ie whether the 'losing' side should pay all costs or each side should bear their own costs). Given that a criterion for Commission support is whether a case has a 'reasonable chance of success', it does not expect to incur costs in many cases. However, cases can be lost. In these cases, it is possible that the applicant could be asked to pay the respondent's costs. Where this happens, the Commission may pay these costs on behalf of the applicant. Any such potential liabilities are noted in the financial statements as contingent liabilities.

There are currently no such liabilities.

### 1.12 Staff costs

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

### 1.13 Prior year adjustment in respect of cost of capital

The removal of the requirement in the Financial Reporting Manual to record notional cost of capital is deemed to be a change in accounting policy. As such, for comparison purposes, the prior year figures in the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and Note 4 have been restated to exclude the prior year notional cost of capital of £4,803.

The effect of this change in accounting policy on the 2009-10 Net Expenditure is as follows:

|                                       | £         |
|---------------------------------------|-----------|
| Net expenditure, as originally stated | 1,703,396 |
| Removal of the cost of capital charge | (4,803)   |
| Adjusted Net Expenditure              | 1,698,593 |

This does not impact on the General Reserve figure carried forward as at 31 March 2010.

## 2. Analysis of net expenditure by segment

In line with the provisions of IFRS 8, Operating Segments, the Commission does not analyse its net expenditure by operating segment as it has concluded that it has no separately identifiable operating segments. This conclusion is based on the Commission's current system / format of internal management reporting to the Board, who consider financial performance at whole organisation level.

## 3. Staff numbers and related costs

|                          | 2010-11 total<br>£ | Commissioners<br>£ | Permanently<br>employed<br>staff<br>£ | Others<br>£    | 2009-10 total<br>£ |
|--------------------------|--------------------|--------------------|---------------------------------------|----------------|--------------------|
| Wages and salaries       | 937,693            | 142,368            | 666,431                               | 128,894        | 868,530            |
| Social security costs    | 73,293             | 12,654             | 51,345                                | 9,294          | 65,374             |
| Other pension costs      | 133,708            | 11,005             | 117,835                               | 4,868          | 118,543            |
| <b>Total staff costs</b> | <b>1,144,694</b>   | <b>166,027</b>     | <b>835,611</b>                        | <b>143,056</b> | <b>1,052,447</b>   |

Details of the pension contributions of £11,005 payable in respect of Commissioners (2009-10: £10,264) are described in the Remuneration Report.

The Commission's staff are covered by the Principal Civil Service Pension Scheme. The PCSPS is an unfunded multi-employer defined benefit scheme but the Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice.gov.uk/my-civil-service/pensions](http://www.civilservice.gov.uk/my-civil-service/pensions)).

For 2010-11, employers' contributions of £121,790 were payable to the PCSPS (2009-10: £106,705) at one of four rates in the range 16.7 per cent to 24.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £1,835 were paid to one or more of the panel of three appointed stakeholder pension providers (2009-10: £887). Employer contributions are age-related and range from 3 per cent to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £95, 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees (2009-10: £54).



Contributions due to the partnership pension providers at the reporting date were £nil (2009-10: £644). Contributions prepaid at that date were £nil (2009-10: £nil).

No person retired early on ill-health grounds during 2010-11.

### Average number of persons employed

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

|                   | 2010-11 total | Permanently employed staff | Others     | 2009-10 total |
|-------------------|---------------|----------------------------|------------|---------------|
| Directly employed | 21.5          | 18.5                       | 3.0        | 23.0          |
| Other             | 1.5           | –                          | 1.5        | 1.5           |
| <b>Total</b>      | <b>23.0</b>   | <b>18.5</b>                | <b>4.5</b> | <b>24.5</b>   |

### Reporting of Civil Service and other compensation schemes – exit packages

The total number of exit packages in 2010-11 were as follows:

- One severance payment of £25-30k, as described in the Remuneration Report.
- One statutory redundancy payment of <£10k.

There were no exit packages in 2009-10.

#### 4. Other expenditure

|  | 2011<br>£ | 2010<br>As restated<br>£ |
|--|-----------|--------------------------|
| Accountancy fees   | 1,200     | 3,995                    |
| Advertising, publicity and publications                  | 25,992    | 37,777                   |
| Auditor's (NAO) remuneration                             | 8,000     | 10,800                   |
| Bill of Rights   | 33,698    | 75,551                   |
| Building maintenance and expenses                        | 17,189    | 27,805                   |
| Conferences and seminars                                 | 598       | 10,678                   |
| Consultancy  | 17,679    | 3,135                    |
| Education  | 321       | 1,529                    |
| Insurance  | 9,039     | 7,217                    |
| Internal audit   | 6,974     | 6,790                    |
| Investigations   | 12,482    | 880                      |
| IT   | 32,225    | 32,553                   |
| Joint Committee  | –         | 10,500                   |
| Legal casework (non-recoverable)                         | 75,864    | 135,341                  |
| Light and heat   | 23,679    | 21,987                   |
| Other expenses   | 1,114     | 1,108                    |
| Printing, postage and stationery                         | 15,796    | 26,190                   |
| Professional fees  | 17,486    | 33,838                   |
| Rates  | 47,775    | 45,102                   |
| Rentals under operating leases                           | 113,638   | 101,831                  |
| Staff training and recruitment                           | 27,900    | 21,590                   |
| Telephone  | 9,750     | 11,308                   |
| Travel, subsistence and hospitality                      | 24,153    | 39,659                   |
| UN Convention on the Rights of Persons with Disabilities | –         | 15,564                   |
|  | 522,552   | 682,728                  |
| <b>Non-Cash Items:</b>                                   |           |                          |
| Depreciation   | 63,224    | 65,761                   |
| Depreciation Adjustment                                  | –         | (33,333)                 |
| Net Depreciation   | 63,224    | 32,428                   |
| Net (upward)/downward revaluation on property            | (5,025)   | 22,905                   |
|  | 580,751   | 738,061                  |

## 5. Income

Operating income received during 2010-11 is £33,649 (2009-10: £91,915) received from The Atlantic Philanthropies for a programme of work on the Bill of Rights.

## 6. Property, plant and equipment

|                                 | <b>Buildings</b> | <b>Information technology</b> | <b>Furniture &amp; fittings</b> | <b>Total</b> |
|---------------------------------|------------------|-------------------------------|---------------------------------|--------------|
| <b>2010-11</b>                  | <b>£</b>         | <b>£</b>                      | <b>£</b>                        | <b>£</b>     |
| <b>Cost or valuation</b>        |                  |                               |                                 |              |
| At 1 April 2010                 | 170,000          | 142,762                       | 200,238                         | 513,000      |
| Additions                       | –                | 2,808                         | –                               | 2,808        |
| Revaluation                     | 6,280            | –                             | –                               | 6,280        |
| At 31 March 2011                | 176,280          | 145,570                       | 200,238                         | 522,088      |
| <b>Depreciation</b>             |                  |                               |                                 |              |
| At 1 April 2010                 | –                | 116,030                       | 159,042                         | 275,072      |
| Charged in year                 | 34,000           | 11,833                        | 17,391                          | 63,224       |
| Revaluation                     | 1,255            | –                             | –                               | 1,255        |
| At 31 March 2011                | 35,255           | 127,863                       | 176,433                         | 339,551      |
| Net book value at 31 March 2011 | 141,025          | 17,707                        | 23,805                          | 182,537      |
| Net book value at 31 March 2010 | 170,000          | 26,732                        | 41,196                          | 237,928      |
| Asset financing:                |                  |                               |                                 |              |
| Owned                           | 141,025          | 17,707                        | 22,554                          | 181,286      |
| Finance leased                  | –                | –                             | 1,251                           | 1,251        |
| Net book value at 31 March 2011 | 141,025          | 17,707                        | 23,805                          | 182,537      |

**Contingent asset:** a credit is due in respect of payments made for leasehold improvements in 2007-08. Receipt of this credit is subject to the outcome of wider contractual negotiations between the Department of Finance and Personnel, who managed the contract on the Commission's behalf, and the contractor. The recoverability of the credit and its timing are uncertain and it is not reflected in these accounts.

## 6. Property, plant and equipment (continued)

| <b>2009-10</b>                  | <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 1 April 2009                 | 200,000          | 126,674                       | 198,128                         | 524,802      |
| Additions                       |                  | 16,088                        | 2,110                           | 18,198       |
| Revaluation                     | (30,000)         | –                             | –                               | (30,000)     |
| At 31 March 2010                | 170,000          | 142,762                       | 200,238                         | 513,000      |
| <b>Depreciation</b>             |                  |                               |                                 |              |
| At 1 April 2009                 | –                | 107,538                       | 135,106                         | 242,644      |
| Charged in year                 | 33,333           | 8,492                         | 23,936                          | 65,761       |
| Depreciation Adjustment         | (33,333)         | –                             | –                               | (33,333)     |
| At 31 March 2010                | –                | 116,030                       | 159,042                         | 275,072      |
| Net book value at 31 March 2010 | 170,000          | 26,732                        | 41,196                          | 237,928      |
| Net book value at 31 March 2009 | 200,000          | 19,136                        | 63,022                          | 282,158      |
| Asset financing:                |                  |                               |                                 |              |
| Owned                           | 170,000          | 26,732                        | 39,275                          | 236,007      |
| Finance leased                  | –                | –                             | 1,921                           | 1,921        |
| Net book value at 31 March 2010 | 170,000          | 26,732                        | 41,196                          | 237,928      |

## 7. Financial instruments

As the cash requirements of the Commission are met through grant-in-aid 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 Commission's expected purchase and usage requirements and the Commission 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 by grant-in-aid 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 31 March 2011 are set out below:

#### Primary financial instruments:

|                           | Book value<br>£ | Fair value<br>£ |
|---------------------------|-----------------|-----------------|
| <b>Financial assets</b>   |                 |                 |
| Cash and cash equivalents | 282,572         | 282,572         |

## 8. Trade receivables and other current assets

|   | 2010-11<br>£  | 2009-10<br>£  |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Trade receivables                           | –             | 16,118        |
| Prepayments and accrued income              | 38,698        | 26,723        |
|   | <b>38,698</b> | <b>42,841</b> |

## 9. Cash and cash equivalents

|  | 2010-11<br>£   | 2009-10<br>£   |
|--|----------------|----------------|
| <b>Balance at 1 April</b>                        | 355,709        | 209,899        |
| Net change in cash and cash equivalent balances  | (73,137)       | 145,810        |
| <b>Balance at 31 March</b>                       | <b>282,572</b> | <b>355,709</b> |
| The following balances at 31 March were held at: |                |                |
| Commercial banks and cash in hand                | 282,572        | 355,709        |
| <b>Balance at 31 March</b>                       | <b>282,572</b> | <b>355,709</b> |

## 10. Trade payables and other current liabilities

|  | 2010-11<br>£         | 2009-10<br>£         |
|--|----------------------|----------------------|
| <b>Amounts falling due within one year:</b>          |                      |                      |
| Taxation and social security                         | 28,581               | 24,978               |
| Trade payables                                       | 20,471               | 57,586               |
| Other payables                                       | 2,753                | 6,204                |
| Accruals   | 391,726              | 399,219              |
| Deferred income                                      | –                    | 33,649               |
| Current part of finance leases                       | 766                  | 766                  |
|  | <b>444,297</b>       | <b>522,402</b>       |
|  | <b>2010-11<br/>£</b> | <b>2009-10<br/>£</b> |
| <b>Amounts falling due after more than one year:</b> |                      |                      |
| Finance leases                                       | 531                  | 1,227                |
|  | <b>531</b>           | <b>1,227</b>         |

## 11. Commitments under leases

### 11.1 Operating leases

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

|   | 2010-11<br>£ | 2009-10<br>£ |
|---|--------------|--------------|
| <b>Buildings</b>                                  |              |              |
| Not later than one year                           | 103,800      | 101,638      |
| Later than one year and not later than five years | 311,400      | 406,550      |
| Later than five years                             | –            | –            |
|   | 415,200      | 508,188      |
| <b>Other</b>                                      |              |              |
| Not later than one year                           | 1,184        | 2,318        |
| Later than one year and not later than five years | –            | 1,160        |
|   | 1,184        | 3,478        |

The buildings operating lease does not include for a potential increase as a result of a recent rent review.

### 11.2 Finance leases

Total future minimum lease payments under finance leases, which all relate to photocopiers, are given in the table below for each of the following periods.

|   | 2010-11<br>£ | 2009-10<br>£ |
|---|--------------|--------------|
| <b>Other</b>                                      |              |              |
| Not later than one year                           | 766          | 766          |
| Later than one year and not later than five years | 575          | 1,341        |
| Later than five years                             | –            | –            |
|   | 1,341        | 2,107        |
| Less interest element                             | (43)         | (114)        |
|   | 1,298        | 1,993        |

## **12. Contingent liabilities disclosed under IAS 37**

Proceedings in respect of leave to apply for a Judicial Review of a decision by the Commission not to provide legal assistance to a member of the public are currently underway.

There are also outstanding employment tribunal cases lodged against the Commission.

The extent of the Commission's liabilities, if any, in respect of these matters are not known.

It is not possible to quantify the liabilities in respect of these matters.

## **13. Capital Commitments**

The Northern Ireland Human Rights Commission does not have any capital commitments.

## **14. Related-party transactions**

The Commission is a non-departmental public body sponsored by the Northern Ireland Office (NIO). The NIO is regarded as a related party. During the year the Commission had various transactions with NIO, associated with the receipt of grant-in-aid.

None of the Commissioners, Management Team or other related parties has undertaken any material transactions with the Commission during the year.



## 15. Intra-government balances

|   | 2010-11<br>£   | 2009-10<br>£   |
|---|----------------|----------------|
| <b>Receivables</b>                          |                |                |
| Balances with central government bodies     | -              | 484            |
| Balances with local authorities             | 1,014          | 1,192          |
| <b>Total intra-government balances</b>      | <b>1,014</b>   | <b>1,676</b>   |
| Balances with bodies external to government | 37,684         | 41,165         |
| <b>Total</b>                                | <b>38,698</b>  | <b>42,841</b>  |
| <b>Payables</b>                             |                |                |
| Balances with central government bodies     | 42,932         | 34,125         |
| Balances with local authorities             | -              | 349            |
| <b>Total intra-government balances</b>      | <b>42,932</b>  | <b>34,474</b>  |
| Balances with bodies external to government | 401,365        | 487,928        |
| <b>Total</b>                                | <b>444,297</b> | <b>522,402</b> |

All of the above intra-government balances are due within one year.

All balances falling due after more than one year are with bodies external to government.

## 16. Post-balance sheet events

There have been no significant events since the end of the financial year which would affect the results for the year or assets and liabilities at the year-end.

Restructuring as a result of the 2010 Operational Review of the Senior Management Team, which came into effect in July 2011, resulted in the reduction of two posts overall within the Commission.

The Annual Report and Accounts are authorised for issue on the same date as the Comptroller and Auditor General signed the audit certificate.

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