Northern Ireland
Law Commission
promoting law reform in Northern Ireland

Annual Report and Accounts

For the year ended 31 March 2010

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Presented to Parliament pursuant to paragraph 6(4) of Schedule 9 to the Justice (Northern Ireland) Act 2002.

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CONTENTS

Chairman's Foreword

I am pleased to present the Annual Report of the Commission covering the period 1 April 2009 to 31 March 2010.

Having assumed the chairmanship of the Commission with effect from 2 November 2009, I have been privileged to oversee the progress of the Commission's First Programme of Law Reform, which was approved by the Secretary of State on 17 October 2009. Work on most of the five approved projects was already under way and has continued subsequently at an impressive pace.

The approved projects are reform of aspects of land law, bail law, business tenancies law, the law relating to multi-unit (domestic) developments [flats], and the law and procedures relating to vulnerable witnesses in civil proceedings. Each of these important areas of law and practice impacts on wide cross sections of the community and is considered to be ripe for sensible and progressive reforms.

The Commission has been fortunate in attracting a skilled and motivated team of legal professionals (drawn from the sectors of academia, private practice and government departments) who, under the direction of the Commissioners, have made impressive progress on each of the approved projects. It is my sincere wish that the Commission will acquire a deserved reputation as a centre of high quality and independent legal research. This report outlines the milestones achieved thus far in each project.

I have been particularly impressed by the interest and enthusiasm, with which our consultation exercises have been received – by the professions, interest groups, public representatives and interested members of the community. It is our intention to further develop and enhance these contacts and engagements as we undertake the preparatory work necessary to establish our Second Programme of Law Reform, which will belong to the period 2011-2014.

The Commission will strive to ensure that the resources and effort invested in its law reform programmes bear fruit through implementation of the recommendations contained in its final reports in the form of new legislation. The Commission is an important element of the recent constitutional reforms surrounding the devolved administration in Northern Ireland. It is pre-eminently desirable that its proposals for reforming the law, based on extensive consultation and skilled and thorough analysis, are processed and implemented expeditiously by the relevant parts of Government.

BERNARD McCLOSKEY
Chairman
Northern Ireland Law Commission

THE NORTHERN IRELAND LAW COMMISSION ANNUAL REPORT AND ACCOUNTS 2009-2010

Chief Executive's Report

Introduction

I am pleased to present this third Annual Report and Accounts of the Northern Ireland Law Commission.

The Northern Ireland Law Commission (the Commission) was established in April 2007 under the Justice (Northern Ireland) Act 2002 following on from the recommendations of the Criminal Justice Review Group. The Review Group reported in March 2000: *Review of the Criminal Justice System in Northern Ireland*.

The Commission was set up as an independent statutory body whose aim is to consider the law of Northern Ireland with a view to making proposals to and advising government on the law's systematic reform.

Devolution of policing and justice functions

On 9 March 2010, the political parties in Northern Ireland agreed that policing and justice functions should devolve to the Northern Ireland Assembly on 12 April 2010. During the period up to the date of devolution, the Commission complied with the corporate governance and accountability framework arrangements issued by the Northern Ireland Office and also the guidance issued by HM Treasury, including *Managing Public Money*.

The Annual Report and Accounts of the Commission for the year ended 31 March 2010 relate entirely to the period before devolution and will be laid in Parliament and the Northern Ireland Assembly in accordance with relevant legislation. References continue to be made in this report to the Northern Ireland Office as the parent Department during the reporting period. Further details are contained in note 17 to the accounts.

When policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly on 12 April 2010, the Department of Justice was established as a new Northern Ireland Department by the Department of Justice Act (Northern Ireland) 2010.

From this date, the Commission became an independent advisory non-departmental public body (NDPB) of the Department of Justice. As such, it now complies with the corporate governance and accountability framework arrangements issued by the Department of Justice and also the guidance issued by the Department of Finance and Personnel (DFP), including *Managing Public Money Northern Ireland*.

Mission Statement of the NI Law Commission

The Northern Ireland Law Commission will provide the Northern Ireland Office (NIO) and the Northern Ireland Executive with independent and well researched proposals and advice on law reform. It will also provide for the people of Northern Ireland an effective means of simplifying and modernising the law and making it more accessible to them. In carrying out its law reform function the Commission supports the premise that in a modern system of justice each citizen has rights and duties under the law. The Commission – alongside other bodies responsible for developing aspects of the law – will respect, safeguard and promote those rights and duties.

The operation of the NI Law Commission

The Commission was established on 16 April 2007 in accordance with sections 50 to 52 and Schedule 9 to the Justice (Northern Ireland) Act 2002 (the 2002 Act). The four Commissioners were appointed during 2008. The Commission is not regarded as the servant or agent of the Crown or enjoying any status, immunity or privilege of the Crown.

The 2002 Act provided that the Commission considered any proposals for the reform of the law of Northern Ireland referred to it and submit to the Secretary of State programmes for the examination of different branches of the law with a view to reform. The Secretary of State had to consult with the Lord Chancellor, the First Minister and deputy First Minister and the Attorney General before approving any programme submitted by the Commission.

The Commission submitted its law reform proposals to the Secretary of State who laid the Commission's reports before each House of Parliament (after devolution of policing and justice matters this role falls to the Minister of Justice). The Commission must also forward its reports to the Office of the First Minister and deputy First Minister who must lay the reports before the Northern Ireland Assembly.

Working Methods

A legal team headed by a Commissioner or Commissioners is created for each project. The Commissioner has responsibility for providing the strategic project leadership along with a level of detailed legal and policy work commensurate with his or her part-time commitment. Teams are encouraged to exchange information freely across the project boundaries and governance mechanisms will ensure that Commissioners have a degree of involvement across all projects. The aim of such mechanisms will be to build a corporate policy approach for the Commission and to ensure that any inter-dependencies or linkages between projects is recognised and reflected in the Commission's considerations.

The standard process by which the Commission will deliver its recommendations will be through a Consultation Paper published for public consultation (in some cases this may be preceded by public consultation on an Issues paper). In the Consultation Paper the law as it currently stands is set out, the perceived weaknesses/defects in the law and its operation are discussed and possible options for reform are set out.

The responses to the public consultation will be analysed and the Commission will take account of these responses as part of its final considerations. A Report with recommendations and, where appropriate, draft legislation will be drawn up and presented to government.

Financial Statements – Accounts Direction

Under Schedule 9 paragraph 6 of the Justice (Northern Ireland) Act 2002, the Commission is required to:

(a) keep proper accounts and proper financial records in relation to the accounts; and

(b) prepare a statement of accounts in respect of each financial year of the Commission.

The accounts have been prepared in accordance with a direction issued by the Northern Ireland Office on behalf of the Secretary of State with the approval of Treasury under Schedule 9, paragraph 6 (2) of the 2002 Act. The accounts incorporate a net expenditure account, a statement of financial position, a statement of cash flows and a statement of taxpayers' equity.

Events After the Reporting Period

Other than as disclosed in note 17 to the accounts, there were no events which required disclosure or adjustment of the Accounts.

Funding

In the year of account the Commission is financed jointly by the Northern Ireland Office (NIO) and the Department of Finance and Personnel (DFP). The account below relates to the year ending on 31 March 2010.

Results for the Period

The results for the Commission for the period are set out in detail in our Financial Statements at pages 34 to 53.

The net expenditure for the financial year was £935,722 (2008-09: £888,001). The budget for the year was £1.028m (2008-09: £1m). Funding covers operational expenditure and capital procurement.

Total net book value of Property, Plant and Equipment was £527,652 (2008-09: £567,115) at the year end.

Membership of the Commission Board

Chairman, Commissioners and Chief Executive

In August 2009, Mr Justice Morgan, who was Chairman from the establishment of the Commission in April 2007, stood down in order to take up his new position as the Lord Chief Justice of Northern Ireland.

The Commission's new Chairman (Mr Justice McCloskey) was appointed on 2 November 2009 by the Secretary of State after consultation with the Lord Chancellor, the First Minister and deputy First Minister, and the Attorney General for Northern Ireland. The appointment is for a period of 3 years and may be extended for a further 2 years.

The Chief Executive (Ms Judena Goldring) was appointed in August 2007. The Chief Executive Officer post is a direct recruitment permanent post and is subject to performance management procedures and arrangements.

Three Commissioners (Professor Sean Doran, Mr Robert Hunniford and Mr Neil Faris) were appointed on 10 March 2008 by the Secretary of State after consultation with the Lord Chancellor, the First Minister and deputy First Minister, and the Attorney General for Northern Ireland. The fourth Commissioner (Dr Venkat Iyer) was appointed following a similar process on 8 September 2008. (See remuneration report for salary payments made and details of the pension provision.)

The Commissioners' appointments are for a period of 3 years and may be extended for a further 2 years.

In the year of account the Chairman and Commissioners posts are subject to performance management procedures as decided by the Secretary of State.

A list of the full membership of the Commission during 2009-10 is shown on page 19.

Business Review

In August 2008 the Commission launched a consultation on its First Programme of Law Reform. The Commission was gratified to receive a large response to this consultation. In addition to commenting on the topics put forward by the Commission respondents proposed a further 45 potential law reform topics.

The Commission carefully considered all the proposals submitted by respondents. This involved research on the proposals followed by the application of our published selection criteria - namely importance, suitability and resources, and were rated accordingly.

The Commission's project selection criteria are:

1. <u>Importance:</u>

   - the extent to which the law is unsatisfactory (for example, unfair, unduly complex, unclear, inaccessible or outdated);

- the scale of the problem, whether the area of law affects a wide section of the public or whether it has a particular impact on a narrower section of the public;
- the potential benefits and costs likely to accrue to the community from undertaking reform, consolidation or repeal of the law.

2. Suitability:

- whether changes and improvements in the law can appropriately be put forward by a body such as the Commission after research and consultation. This would tend to exclude subjects where the considerations are shaped primarily by political judgements; or
- whether another body is better placed to undertake the project.

3. Resources:

- the qualification and experience of the Commissioners and their legal staff;
- the funding likely to be available to the Commission; and
- the need for a good mix of projects in terms of the scale and timing in order to achieve a balanced workload among Commissioners and to facilitate effective management of the Programme.

The Programme was submitted to the Secretary of State for Northern Ireland for approval in accordance with statutory requirements on 1 June 2009.

Five topics were chosen to go forward into the Programme.

1. Reform of aspects of land law.
2. Bail law.
3. Business tenancies law.
4. The law and procedures relating to vulnerable witnesses in civil cases.
5. The law and procedures relating to multi unit (domestic) developments (apartments).

Progress

The objectives of the projects and the broad progress up to 31 March 2010 are set out below. (Detailed targets and achievements within each project are described in the Management Commentary, from page 14).

Land law reform

The land law reform project continued to progress well during this period and the consultation paper was drafted during the reporting period. The aim of this project is to reform and modernise Northern Ireland's antiquated land law and conveyancing law and practice. Land law in Northern Ireland is for the most part based on nineteenth century or earlier legislation and is complex and difficult to access. The proposed reforms will aim to update and rationalise the relevant law and in doing so will provide Northern Ireland with land and property law that is more supportive of a modern economy.

In May 2008 the Minister for the Department of Finance and Personnel requested the Commission to take on a review of ground rents and covenants as part of the land law reforms. These topics now form part of the project, with the consultation process on these topics ended on 30 April 2010. Work on the project was completed with a Report and draft legislation published in December 2010.

Bail law reform

The bail project team, headed by two Commissioners, continued to carry out extensive stakeholder work to establish the range of issues involved. Unlike the position in England and Wales and the Republic of Ireland we do not have in Northern Ireland a specific piece of legislation that codifies the law in relation to bail. Provisions governing aspects of bail are to be found in a number of different statutory sources. The result is a piecemeal approach to a subject of great importance in the context of the administration of criminal justice. There is an argument for the enactment of a unifying piece of legislation that brings together the various provisions that currently relate to the subject and also that defines for the first time in this jurisdiction the specific criteria governing decisions on bail both by the police and by the courts. This would be an opportunity not only to consolidate the existing law but also to assess whether there are any weaknesses in the current system of bail.

The project would include a specific consideration of existing remand and bail provisions in respect of young persons presently governed by Article 12 of the Criminal Justice (Children) (Northern Ireland) Order 1998.

The Commission has already carried out initial research on bail law, practice and procedure. A main part of this work has involved consultation with a wide range of stakeholders.

Law and procedures relating to vulnerable witnesses

The reform of the law relating to vulnerable witnesses in civil law cases offers the potential for real benefits for people who face the trauma for them of civil litigation in the courts. The general thrust of the reforms would be to extend the modern concepts developed within the criminal law cases for the protection of vulnerable witnesses in civil law court cases. This kind of improved protection would help in particular victims of domestic violence involved in family law cases.

The project team on vulnerable witnesses continued to conduct useful research and stakeholder work during this period. Traditionally vulnerable witnesses in both civil and criminal cases have been expected to give evidence under the same conditions as all other witnesses; that is, in person, before a public forum. The principle of orality has traditionally been seen as a fundamental aspect of the adversarial model of proof and is grounded on the premise that live evidence affords an opportunity for the tribunal of fact to observe the demeanour of the witness and, in turn, to form an accurate opinion on his or her credibility.

Over the course of the past two decades special protections and services have been introduced for such witnesses in criminal proceedings in order to enhance the quality of their evidence. The Criminal Evidence (Northern Ireland) Order 1999 introduced a wide range of "special measures" to enable vulnerable witnesses to give better evidence in criminal cases. Similar legislation was enacted in England and Wales under the provisions of the Youth, Justice and Criminal Evidence Act 1999.

In Scotland legislation has been enacted to deal with the protection of vulnerable witnesses in criminal and civil cases under the provisions of Vulnerable Witnesses (Scotland) Act 2004.

Business tenancies law

The business tenancies project team have continued to conduct research and stakeholder work during this period. The law relating to business tenancies was the subject of reform some 13 years ago. In general the law seems to be working well and for the most part the correct balance between the interests of landlords and tenants has been struck. However, there is evidence that the business environment has changed sufficiently in the intervening years so that some aspects of the legislation may be overly restrictive and out of date. This relates in particular to the statutory prohibition on contracting out of the legislation. This prohibition is seen by some as an anachronism which undermines the freedom of landlords and tenants to negotiate mutually satisfactory terms for leasing business property. The legislation's provisions on notifications and time limits were also criticised as in need of modernisation.

The business tenancies legislation is an important aspect of economic life and business development. A review of its operation to ensure it is fit for modern commercial life is timely. A public consultation paper was issued in June 2010, and it is intended to complete the work on the project with a Report and draft legislation by end of March 2011.

Multi unit developments

The project team working on the law and procedures relating to multi unit (domestic) developments (apartments) have commenced a review of the existing law and practice in relation to multi-unit developments (MUDs) in Northern Ireland; identify problems in practice; assess legislative models which have been adopted in other jurisdictions; and recommend measures for law reform.

The ownership of apartments in MUDs has become much more common in Northern Ireland in recent years. This development has not, however, given rise to a reconsideration of the current legal framework to ensure that the needs of apartment owners are addressed. Since the physical characteristics of a flat are quite different from those of free-standing properties, this gives rise to a number of issues relating to maintenance and management. This is because each flat is part of a larger building and is dependent for support on other flats or parts of the structure. Various parts of the whole building, both internal and external, are shared in common with other owners, e.g. a car park, garden, stairs, roof, pipes, cables, etc. and must, therefore, be maintained on a common basis.

The project team has been seeking to gather evidence of problems arising in practice as a result of any deficiencies in the current legal framework. The Commission has been engaging with interested parties such as apartment owners, management companies, management agents, solicitors, etc. A public consultation paper is planned for issue early 2012.

Corporate governance arrangements

Commission Board

During the period of this report the Chairman and four Commissioners met regularly on a monthly basis. These meetings included the Chief Executive.

In accordance with the Management Statement and Financial Memorandum agreed between the Commission and its sponsoring departments the Chief Executive has particular leadership responsibilities for:-

- ensuring the efficient and effective use of staff and other resources;
- ensuring high standards of propriety;
- ensuring that the Secretary of State and the sponsor team are kept informed of any changes or developments within the organisation;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the office operates within the limits of its remit and any delegated authority agreed with the sponsor Departments, and in accordance with any other conditions relating to the use of public funds;
- demonstrating high standards of corporate governance at all times.

The Chief Executive provided assurance information to the Commissioners on how she was taking forward these responsibilities.

Progress of the reform projects was discussed at the meetings.

In accordance with the Management Statement and Financial Memorandum quarterly review meetings between the Commission and the NIO and DFP were held throughout the year. The corporate governance procedures and arrangements for the Commission, including finance and accountancy arrangements were operated in accordance with NIO and DFP requirements.

Spend and decision making during the period was carried out in accordance with these governance arrangements and the Management Statement and Financial Memorandum. The Commission has continued to build upon the achievements of previous financial years and has once again contained expenditure within the funding resources made available from the two funding departments.

An annual Business Plan for the period was drawn up and agreed with NIO and DFP.

Pension Liabilities

Staff pension arrangements are provided through the Principal Civil Service pension scheme (PCSPS) arrangements which are administered by Civil Service Pensions (CSP). The Chairman's pension arrangements are through the Northern Ireland Judicial Pension Scheme. Stakeholder pension scheme arrangements for Commissioners were agreed with sponsoring department, with the same benefits and contributions that are reflected in the PCSPS Nuvos Scheme. Further information in relation to pensions is included in the remuneration report, in accounting policy note 1.8 and in note 6.2 to the accounts.

Payment to Suppliers

Payment within 10 workings days

The then Prime Minister's statement of 8 October 2008 set a challenge to Government Departments to pay suppliers as soon as possible, with the aim of bringing forward all payments to within 10 days. In terms of the overall performance for 2009-10, 92.7% of invoices were paid within 10 working days following receipt of a properly rendered invoice compared to 73.6% during the four months to 31 March 2009 following the introduction of this new Government target.

In addition, the Commission's sponsoring department, the Northern Ireland Office, is a signatory to 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 regarding this are available at www.promptpaymentcode.org.uk.

Equality of Opportunity

The Commission is committed to the provision of equality of opportunity and fair participation to all persons regardless of sex, marital status, religious beliefs, political affiliation/opinion, age, family status, ethnic or racial background, sexual orientation, disability, nationality or trade union membership. An Equality Scheme was drawn up during the year, and submitted to the Equality Commission in January 2010.

Employee Involvement

The Commission encourages consultation and exchange of information within the Commission. This is effected through regular team meetings. The team meetings include reporting back from the meetings of the Commission's Board. Minutes of the meetings of the Commission Board are made available to all staff and also published on the Commission website www.nilawcommission.gov.uk.

Register of Interests

An up to date register of interests for the members of the Commission Board is maintained by the Chief Executive as Accounting Officer and is available for inspection at the Commission's offices in Linum Chambers, 2 Bedford Square, Bedford Street, Belfast BT2 7ES.

Auditors

The financial statements are audited by the Comptroller and Auditor General who is appointed by statute.

The external audit fee for 2009-10 is £11,620 (2008-09: £8,300) this includes additional audit work due to the introduction on International Financial Reporting standards and the internal audit fee is £4,537 (2008-09: £nil). These are included in note 7 of the Administration Costs on page 49. The auditors did not carry out any other non audit work.

Statement of Disclosure of Information to Auditors

So far as the Chief Executive is aware:

- There is no relevant audit information of which the Commission's auditors are unaware; and

- She has taken all steps that she ought to have taken as Chief Executive in order to make herself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information.

Publications 2009-10

Title	Published
First Programme of Law Reform (June 2009 - March 2011)	December 2009
Consultation Paper Land Law NILC 2 (2009)	June 2009
Equality Impact Assessment on Proposals for Land Law Reform	September 2009
Supplementary Consultation Paper Land Law NILC 3 (2010)	February 2010
Annual Report and Accounts 2007-08	February 2010

These publications are available on our website www.nilawcommission.gov.uk

Management Commentary

The business plan for 2009-10 sets out the objectives for that period.

Progress against these strategic and business objectives is described below.

Strategic Objective 1: To establish and maintain a centre of law reform excellence for Northern Ireland within the resources provided by government.

BUSINESS OBJECTIVES

1.1 To build and maintain effective governance and working practices in accordance with the rules and guidance governing NDPBs.

In year targets:

- Continue to develop the Commission's financial control systems to ensure compatibility with NIO accounting systems and which comply with audit requirements by end of March 2010 – Target Achieved.
- Prepare and publish Annual Report and Accounts for the 2008-09 financial year by end of July 2009 – Target not achieved. The significant contributory factors were delays due to NICS equal pay issues arising, devolution of policing and justice and general election. Publication rescheduled for July 2010.
- Prepare and publish an Annual Business Plan for 2009-10 – Target Achieved.
- Conduct an annual review of NILC risk register by end of January 2010 – Target Achieved.

The Commission Board comprising the Chairman, the Commissioners and the Chief Executive met regularly on a monthly basis.

Effective internal financial control and records database systems for the Commission are in place. Quarterly finance review meetings with NIO Finance and Coordination Unit continued, providing ongoing support in terms of budgetary management and financial monitoring.

It was agreed with the sponsoring Department that the Commission would engage a Service Provider for its internal audit requirement.

Project risk registers are monitored and updated on a regular basis.

It was decided by the Commission's Board not to proceed with the Memorandum of Understanding with government until the new devolution arrangements were in place. In the meantime, however, discussions were held with the Departmental Solicitors' Office to plan for the implementation of the Commission's land law recommendations through the legislative process.

1.2 To take forward a Training and Development Plan

In year targets:

- Personal Performance Agreements (PPAs) and Personal Development Plans (PDPs) to be drafted and agreed in line with DFP Core Competence Framework by 30 June 2009 – Target Achieved.

- Develop and agree a one year Training and Development Plan for all staff by end of September 2009 – Target Achieved.

A training and development plan was taken forward based on training needs identified from staff personal development plans, together with a range of generic corporate governance training requirements. In addition, professional legal staff attended a range of various seminars, conferences and events relevant to their specialist project areas, which also has contributed to their continued professional development.

1.3 To recruit the legal staffing complement

In year targets:

- To put in place a business tenancies project legal resource by January 2010 – Target not achieved. An open recruitment competition was conducted in January 2010, and a Senior Principal Legal Officer (SPLO) lawyer was appointed on 1 April 2010 for a 3 year fixed term period.

- To recruit 3 legal researchers and have in post by the start of December 2009 – Target Achieved. An open recruitment competition was conducted in the autumn and due to business needs four legal researchers were appointed on 1 December 2009 initially for a period of one year, up to a maximum of two years.

- In addition to the above open recruitment competitions, a Principal Legal Officer (PLO) lawyer for the vulnerable witnesses in civil cases project was appointed on a secondment arrangement from DFP in June 2009, and also an SPLO lawyer for the bail project was appointed in August 2009 on a secondment period of up to three years from Queen University Belfast through the Northern Ireland Civil Service (NICS) Interchange Scheme.

Strategic Objective 2: To take forward a Programme of Law Reform for Northern Ireland.

BUSINESS OBJECTIVES

2.1 To review the law relating to certain aspects of land holding/ownership

In year targets:

- Publication of main consultation paper April 2009 – Published 1 June 2009.
- Publication of consultation paper on adverse possession January 2010 - Published together with consultation paper on Ground Rents 1 February 2010.
- Public consultation February 2009-April 2009 – Delayed until June-September 2009.
- Commence work on draft Report and legislation relating to first consultation October 2009 – Target Achieved.

To review the law and practice in relation to the redemption of ground rents

In year targets:

- Publication of consultation paper on ground rents January 2010 – Published 1 June 2009 and included adverse possession paper.
- Public consultation February 2010-April 2010 – Target Achieved.

2.2 To carry out a review of the practice and law relating to bail

In year targets:

- Stakeholder meetings/public meetings from March 2009 to October 2009 – Target Achieved, and meetings continued until February 2010.
- Detail of options and impact assessments from October 2009 to December 2009 – Target Achieved.
- Drafting consultation paper from September 2009 to February 2010 – Target Achieved and paper scheduled for publication in June 2010.
- Commission Board to sign off consultation paper – March 2010 – Delayed until June 2010.

2.3 To carry out a review of the law and practice relating to special measures for vulnerable witnesses in civil cases

In year targets:

- To draft and publish a Consultation Paper for the project (expected publication date: end November 2009) – Publication date was rescheduled to the 1 April 2010 and this was achieved.

- To receive, collate and analyse responses to the Consultation Paper Expected completion date for the analysis: end-March 2010 – Target rescheduled until July/August 2010 and was achieved.

- To commence drafting a Final Report and Recommendations for Reform Expected commencement date for the report: September 2010 – Target achieved.

The Project timetable was significantly revised to take account of the size of task at hand.

2.4 To carry out a review of certain aspects of business tenancies law

In year target:

- Preparation of Project Initiation Document May 2009 – Target Achieved.

- Preliminary discussions with stakeholders from July to September 2009 – Target Achieved.

- Commence drafting of Consultation Paper October 2009 – Target Achieved.

- Publish Consultation Paper end March 2009 – Published 1 June 2010.

Forward look to 2010-11

The resources of the Commission during the next year (2010-11) will be focused on taking forward the agreed First Programme projects, and be in a position to publish the proposed Second Programme by Spring 2011. The work will be a combination of stakeholder engagement, desk research, policy analysis and the publication of consultation papers.

It was planed to publish a consultation paper on Business Tenancies in June 2010, which was achieved. The Commission published a consultation paper on Bail in September 2010 and intends to establish the issues involved in Multi Unit Developments by March 2011.

Final reports together with draft legislation were scheduled for publication for Land Law reform in December 2010, which was achieved and Business Tenancies in January 2011.

A 2nd NILC Annual Conference planned for 30 September 2010 took place and was attended by approximately 70 delegates.

In parallel with this work, the Commission will publicly consult on a draft Second Programme in September 2010 and to present a Second Programme of Law Reform to the Department of Justice for approval in Spring 2011.

The Commission will continue to operate its corporate governance arrangements on the basis set out in this Report.

International Financial Reporting Standards (IFRS)

From 2009-10 onwards, Treasury has determined that all departments, agencies and non-departmental bodies must prepare accounts in accordance with IFRS.

The Commission has put in place appropriate measures to ensure a smooth transition from reporting under UK GAAP in the prior year to IFRS in the current year and comply with the requirements set by Treasury.

Sickness absence data

The reported average number of working days lost due to sickness for 2009-10 was 6.6 days (2008-09: 6.8 days).

Personal data related incidents

During the financial year 2008-09, the Northern Ireland Law Commission reported no incidents of personal data related incidents.

Commitment to Environmental, Social and Community Matters

The Commission's core aim is to work alongside other bodies responsible for developing aspects of the law, in providing for Northern Ireland an effective means of simplifying and modernising the law and making it accessible to the people.

The Commission, despite its small size is concerned to ensure that it minimises its environmental impact. The Commission has continued it's commitment to reducing waste, implementing a policy to recycle waste paper, cardboard and spent printer toner cartridges. In addition, our modern office premises incorporates an extensive range of energy saving systems, including automatic lighting, zoned air conditioning, and water systems.

Full Membership of the Commission during 2009-10

COMMISSION BOARD

Chairman
The Honourable Mr Justice McCloskey (from 02/11/09)
The Honourable Mr Justice Morgan (until 31/08/09)
Commissioners
Professor Sean Doran (Barrister-at-Law)
Mr Neil Faris (Solicitor)
Mr Robert Hunniford (Lay Commissioner)
Dr Venkat Iyer (Law Academic)
Chief Executive
Ms Judena Goldring MA, BLegSc, Solicitor

LEGAL TEAMS

Land Law Project
Mrs Sarah Witchell LL.B, Solicitor
Professor John Wylie LL.M (Harvard), LL.D (Belfast), Professor of Law at Cardiff University (Consultant)
Mrs Diane Drennan LL.B, M Phil, Solicitor
Mrs Leigh McDowell LL.B, Solicitor
Environmental Law Project
Ms Imelda McAuley LL.B, LL.M (until 24/04/09)
Mr Ronan Cormacain LL.B, LL.M, B.L (Legislative Drafting Consultant)
Bail Project
Ms Katie Quinn LL.B, M.Sc (from 03/08/09)
Miss Joan Kennedy B.C.L - (Legal Researcher until 20/11/09 & from 01/12/09)
Business Tenancies
Mrs Rebecca Ellis LL.B, (Hons), Solicitor - (Legal Researcher from 01/12/09)
Mr Darren McStravick LL.B, LL.M - (Legal Researcher until 20/11/09)
Vulnerable Witnesses
Ms Clare Irvine LL.B, Solicitor (from 15/06/09)
Ms Nicola Smith B.A.Int, LL.B, LL.M - (Legal Researcher from 01/12/09)
Miss Lisa McKibbin BSc Hons, Mssc (Legal Researcher until 31/08/09)
Second Work Programme
Mrs Patricia MacBride BA, J.D., Attorney-at-law - (Legal Researcher from 01/12/09)

BUSINESS SUPPORT TEAM

Business Manager - Mr Derek Noble
Communications & HR Manager - Mrs Cathy Lundy (from 06/07/09)
Communications & HR Manager - Mrs Philippa Spiller BA Hons (until 10/07/09)
Personal Secretary to Chairman and Chief Executive - Ms Paula Sullivan
Administrative Officer - Mr Andrew McIlwrath
Administrative Officer - Mr Chris Gregg BA Hons

Remuneration Report

The remuneration of directly recruited staff employed by the Commission are remunerated in line with Northern Ireland Civil Service (NICS) pay agreements. Performance is appraised by line managers of achievement against agreed objectives and targets.

The Chief Executive and Commissioners are remunerated as senior civil servants.

The remuneration of senior civil servants is determined by Her Majesty's Government following independent advice from the Senior Civil Service pay review body. In reaching its recommendations, the review body has regard to the following considerations:-

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

The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com.

The remuneration report discloses the remuneration of senior members of Commission staff based on the requirements of the Government Financial Reporting Manual (FReM) and HM Treasury guidance.

The report covers the remuneration of the Chief Executive, Chairman and Commissioners for the period they were in post during 2009-10. The Commissioners are covered by FReM's definition of "directors".

Service Contracts

Appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The code requires appointment to be on merit on the basis of fair and open competition, but also includes the circumstances when appointments may be made otherwise.

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

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Remuneration (including salary) and pension entitlements

The following section provides details of remuneration and pension interests of the Chairman and most senior management of the Commission.

Remuneration (salary and benefits in kind) – Audited information

	2009-10		2008-09	
	Salary (£'000)	**Benefits in kind (to nearest £100)**	**Salary (£'000)**	**Benefits in kind (to nearest £100)**
Ms Judena Goldring *Chief Executive*	60-65 (80-85 full time equivalent)	-	75-80	-
Robert Hunniford *Commissioner*	30-35	-	30-35	-
Prof. Sean Doran *Commissioner*	15-20	-	15-20	-
Neil Faris *Commissioner*	30-35	-	30-35	-
Dr Venkat Iyer *Commissioner* (appointed 8 September 2008)	15-20	-	5-10 (15-20 full year equivalent)	-

The four Commissioners were appointed for a 3 year period which may be extended for up to two more years.

The Commission's Chairman, Mr Justice Morgan left the Commission on 31 August 2009. Mr Justice McCloskey was appointed as the new Chairman of the Commission on 2 November 2009 for a three year period. The appointment may be extended for up to two more years.

The Chairman is a member of the judiciary and is appointed by the Lord Chancellor. Judicial salaries are paid directly from the Consolidated fund and the NIO funds the related pensions in the year of account. Judicial pay increases are decided by Government after taking advice from the Senior Salaries Review Board in the year of account.

The time spent by the Chairman on Commission duties during the year was on average one day per week. The cost of time spent on Commission duties by Mr Justice Morgan for 2009-10 was £13,880 (2009-10: £32,245) of which £10,837 (2008-09: £25,049) was reimbursed by the Commission to the Consolidated Fund and £3,043 (2008-09: £7,196) was reimbursed to the Northern Ireland Court Service. The cost of time spent on Commission duties by Mr Justice McCloskey for 2009-10 was £12,427 (2008-09: £nil) of which £9,688 (2008-09: £nil) was reimbursed by the Commission to the Consolidated Fund and £2,739 (2008-09: £nil) was reimbursed to the NIO.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on 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 Her Majesty's Revenue and Customs as a taxable emolument.

Pension benefits – Audited information

	Accrued pension at age 60 as at 31 March 2010 and related lump sum (£'000)	Real increase in pension and related lump sum at age 60 (£'000)	CETV at 31 March 2010 (£'000)	CETV at 31 March 2009 (£'000)	Real increase in CETV (£'000)	Employer contribut-ion to partner-ship pension account (to nearest £100)
Ms Judena Goldring *Chief Executive*	20-25 plus lump sum of 65-70	0-2.5 plus lump sum of 2.5-5.0	395	350	22	1,000
Robert Hunniford *Commissioner*	0-5	0-2.5	23	11	10	-
Sean Doran *Commissioner*	0-5	0-2.5	9	4	4	-
Neil Faris *Commissioner*	0-5	0-2.5	31	16	12	-
Venkat Iyer *Commissioner*	0-5	0-2.5	8	3	5	-

Judicial Pensions Scheme arrangements

The Chairman is a member of the Judicial Pensions Scheme. The terms of the pension arrangements are set out in (or in some cases are analogous to), the provisions of two Acts of Parliament, the Judicial Pensions Act 1981 and the Judicial Pensions and Retirement Act 1993 (JUPRA).

The Judicial Pensions Scheme is an unfunded public service scheme, providing pensions and related benefits for members of the judiciary. Participating Judicial Appointing or Administering Bodies make contributions known as accruing superannuation liability charges (ASLCs), to cover the expected cost of benefits under the Judicial Pensions Scheme. ASLCs are assessed regularly by the Scheme's Actuary, The Government Actuary's department.

The contribution rate required from the Judicial Appointing or Administering Bodies to meet the cost of benefits accruing in the year 2009-10 has been assessed as 32.15% (2008-09: 32.15%) of the relevant judicial salaries. This includes an element of 0.25%

as a contribution towards the administration costs of the scheme. A contribution rate of 32.15% has been recommended for the year commencing 1 April 2010.

The liability for future payment is not chargeable to the Department of Justice but is a charge on the Judicial Pensions Scheme. The Department of Justice is unable to identify its share of the underlying assets and liabilities. Similarly, as the Chairman works part time for the Commission it is not possible for the Commission to identify its share of the underlying assets and liabilities. There is a separate scheme statement for the Judicial Pensions Scheme as a whole and a full actuarial valuation was carried out as at 31 March 2009. Details of the Resource Accounts of the Ministry of Justice: Judicial Pensions Scheme can be found on the Ministry of Justice website www.justice.gov.uk .

Payments of £5,782 for 2009-10 (2008-09: £7,196) were made to the Northern Ireland Court Service in respect of pension costs of the Chairman.

Civil Service Pensions

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

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and 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% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Values

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

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

The real increase in the value of the 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.

Former Senior Managers

No awards or compensation payments have been made to former Senior Managers during 2009-10 (2008-09: £nil).

Third Parties

No payments have been made to third parties for services as a Senior Manager (2008-09: £nil).

Early termination

No payments have been made in respect of early terminations.

Judena Golding

Judena Goldring
Chief Executive and Accounting Officer
10 March 2011

Statement of Accounting Officer's Responsibilities

Under the Justice (Northern Ireland) Act 2002, the Secretary of State (with the consent of HM Treasury) has directed the Northern Ireland Law 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 state of affairs of the Commission and of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

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

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

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and

- prepare the accounts on a going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Chief Executive as Accounting Officer of the Northern Ireland Law 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 Law Commission's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in Managing Public Money.

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 Commission's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money* as the guidance relevant for the year of account.

I ensure that sufficient staff resources are secured and allocated to the agreed work programme, ensure the efficient and effective deployment of all NILC resources, and provide advice direction and line management to the NILC staff with a view to achieving the Commission's legal, strategic and operational objectives and targets.

I am responsible for the recruitment and secondment of lawyers, researchers and administrators to the Commission, and ensure that pay and rewards are consistent with NIO and DFP guidance and the agreed pay remits (for both Senior Civil Service and Northern Ireland Civil Service grades).

I liaise with the NIO sponsoring Department on governance issues, within the context of quarterly oversight meetings with the Department.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

The Commission's capacity to handle risk is outlined by the following responsibilities of the Chief Executive as detailed in Commission's Management Commentary.

The Chief Executive shall, on behalf of the Commission and by agreement with the Chair, exercise the following responsibilities in particular:

- ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensure that all public funds made available to the Commission are used for the purpose intended by Parliament, and that such monies, together with the Commission's assets, equipment and staff, are used economically, efficiently and effectively;

- ensure that secure and appropriate protocols and procedures are in place and complied with regarding ad hoc departmental referrals and/or joint projects with its counterparts;
- ensure that adequate internal management and financial controls are maintained by the Commission, including effective measures against fraud and theft;
- maintain a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- ensure that effective personnel management policies are maintained.

Leadership has been given to the risk management process by the Commission Board ensuring that all project managers review and evaluate their key risks and controls on a regular basis.

The risk and control framework

The Commission Board, assisted by the project steering groups, maintains and reviews the system of risk and internal control within the Commission, by continually monitoring progress on the Programme of Law Reform, to ensure that objectives set within the programme and Strategic and Business Plans are achieved.

A financial planning and budgetary control system continued to operate as agreed with the NIO Finance and Co-ordination Unit, in accordance with NIO policies and procedures. This included the detailed review of monthly financial management reports produced by Financial Services Division (FSD) of the NIO.

The NIO FSD processed all Commission related payments during the period of this report and produced monthly expenditure reports.

In addition, quarterly oversight meetings with the NIO and DFP required under the Management Statement and Financial Memorandum continued to be held during the year. At these meetings a range of key financial, personnel and governance matters are permanent items on the agenda, together with a report from the Commission's Chief Executive on progress towards achievement of key work programme objectives and targets.

An open procurement competition for a fully outsourced Internal Audit function was conducted during the autumn via DFP Central Procurement Division. The successful company of independent auditors were appointed in October 2009, and an initial three year internal audit strategy drawn up. In accordance with the internal audit plan for the year ended 31 March 2010, the following 3 reviews were carried out:-

1. General Financial Controls - The objective of the assignment was to assess the appropriateness and effectiveness of key high level financial controls at the Commission, particularly those which are key to ensuring that monthly financial reporting is reliable, accurate and timely. Subsequent internal audit report overall conclusion and assurance noted that there were no priority issues required to be addressed.

2. Management of Research Projects - The objective of the assignment was to assess the appropriateness and effectiveness of key high level processes relating to the management of research projects at the Commission. Subsequent internal audit report overall conclusion and assurance noted that there were no priority 1 issues required to be addressed and an overall assurance rating given of satisfactory.

3. Strategic and Business Planning - The objective of the assignment is to assess the appropriateness and effectiveness of key high level processes relating to strategic and business planning at the Commission. Subsequent internal audit report overall conclusion and assurance noted that there were no priority 1 issues required to be addressed and an overall assurance rating given of satisfactory.

An overall assurance rating of satisfactory was given following the 3 internal audit reviews.

Plans for establishing an Audit Committee have not yet been finalised. Work is continuing with our NIO sponsoring body to arrive at an appropriate structure and form commensurate with the size and status of the Commission.

An over-arching corporate risk register was drawn up. It will be kept under regular review by the Commission's Board. The key areas of risk include:-

1. Delays in recruiting appropriately qualified staff would have significant impact on the achievement of key project milestones and objectives.

2. Unexpected loss of key legal staff would likewise have significant impact on the Commission's ability to achieve project targets and deliverables.

3. Inadequate overall funding of the Commission would hinder completion of projects within timescales set, and cause uncertainty over planning the law reform work programme.

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 will develop plans to address any identified weaknesses and ensure continuous improvement of the system is in place.

Current systems in place include the following:

- regular reviews by senior management of risks at all levels within NILC;

- the establishment and regular monitoring of key performance and risk indicators;

- all relevant internal control considerations, including any issues of risk, are taken into account with regard to the achievement of the Commission's policies, aims and objectives and, where necessary, are brought to the attention of the Board;

- annual internal audit reviews have commenced by independent auditors to test the adequacy and effectiveness of systems of internal control as defined in the Government Internal Audit Manual;

- twice yearly Stewardship Statements are returned by the Commission's Chief Executive to the NIO sponsoring division to provide assurance that appropriate and effective systems of internal control and secure data management are in operation;

- the Commission recognises the need for appropriately handling information used for operational and reporting purposes, particularly where it is used by third parties. Risks to information and protectively marked data are managed in line with DFP records management systems, internet and email usage policies, and ICT network services are provided and managed by the NICS IT Assist shared service centre;

- in addition the NIO Financial Services Division (FSD) processed all payments during the period of this report and produced monthly budget and financial management reports;

- FSD monthly nominal ledger expenditure reports are checked and reconciled against NILC payments database both in terms of accuracy and appropriateness, and a detailed monthly report produced for the Chief Executive and Accounting Officer;

- procurement exercises are conducted in line with NIO policies and procedures in accordance with guidance and advice received from the Northern Ireland Civil Service (NICS) Central Procurement Directorate.

- the Commission has introduced an additional quality assurance process (to be performed by officials with appropriate professional qualifications within the NIO sponsor Division before draft annual report and accounts are submitted for audit. This will improve the timescales for delivery of future Annual Reports and Accounts.

Judena Goldring
Chief Executive and Accounting Officer
10 March 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 the Northern Ireland Law Commission for the year ended 31 March 2010 under the Justice (Northern Ireland) Act 2002. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Northern Ireland Law Commission, Accounting Officer and auditor

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

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Law Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Ireland Law Commission; and the overall presentation of the financial statements.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- The financial statements give a true and fair view, of the state of the Northern Ireland Law Commission's affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended: and

- The financial statements have been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and Northern Ireland Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion

- The part of the Remuneration Report to be audited has been properly prepared in accordance with the Justice (Northern Ireland) Act 2002 and Northern Ireland Secretary of State directions issued thereunder.

- The information given in the Chairman's Foreword, Chief Executive's Report and the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or returns adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements are not in agreement with the accounting records or returns; or

- I have not received all of the information and explanations I require for my audit; or

- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP
18 March 2011

Net Expenditure Account
for the year ended 31 March 2010

	Notes	2009-10 £	2008-09 £ (as restated)
Expenditure			
Staff costs	**6**	556,926	531,781
Depreciation	**9**	50,604	49,194
Other expenditure	**7**	311,988	291,132
		919,518	872,107
Net Expenditure		919,518	872,107
Cost of Capital	**8**	16,204	15,894
Net Expenditure after cost of capital Charge		935,722	888,001

The notes on pages 38 to 53 form part of these accounts.

Statement of Financial Position
as at 31 March 2010

	Notes	2010 £	2009 £ (as restated)	1 April 2008 £ (as restated)
Non-current assets				
Property, plant and equipment	**9**	527,652	567,115	602,102
Total non-current assets		527,652	567,115	602,102
Current assets				
Trade and other receivables	**10**	13,939	10,980	1,338
Total current assets		13,939	10,980	1,338
Total assets		541,591	578,095	603,440
Current liabilities				
Trade and other payables	**11**	(120,437)	(77,584)	(195,746)
Total current liabilities		(120,437)	(77,584)	(195,746)
Non-current assets less net current liabilities		421,154	500,511	407,694
Non-current liabilities		-	-	-
Total non-current liabilities		-	-	-
Assets less liabilities		421,154	500,511	407,694
Taxpayers' equity				
Revaluation reserve		18,715	13,197	-
General reserve		402,439	487,314	407,694
		421,154	500,511	407,694

The financial statements on pages 34 to 53 were approved by the Commission on 10 March 2011 and were signed on its behalf by:

Judena Goldring
Chief Executive and Accounting Officer
10 March 2011

The notes on pages 38 to 53 form part of these accounts.

Statement of Cash Flows
for the year ended 31 March 2010

	Notes	2010 £	2009 £ (as restated)
Cash flows from operating activities			
Net Deficit after cost of capital and interest		(935,722)	(888,001)
Adjustment for cost of capital charge	**8**	16,204	15,894
Increase in trade and other receivables	**10**	(2,959)	(9,642)
Decrease in trade and other payables	**11**	42,853	(118,162)
Depreciation	**9**	50,604	49,194
Net cash outflow from operating activities		(829,020)	(950,717)
Cash flows from investing activities			
Purchase of property, plant and equipment	**9**	(3,358)	-
Net cash outflow from investing activities		(3,358)	-
Cash flows from financing activities			
Grants from parent department		832,378	950,717
Net financing		832,378	950,717
Increase/(decrease) in cash and cash equivalents in the year		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The notes on pages 38 to 53 form part of these accounts.

Statement of Taxpayers' Equity
for the year ended 31 March 2010

	Notes	General Reserve £	Revaluat-ion Reserve £	Total Reserves £
Balance at 31 March 2008		414,642	-	414,642
Changes in accounting policy				
IAS 19 Employee benefits	**2**	(6,948)	-	(6,948)
Restated balance at 1 April 2008		407,694	-	407,694
Changes in Taxpayers' Equity for 2008-09				
Net gain on revaluation of property, plant and equipment	**9**	-	14,207	14,207
Transfer between reserves		1,010	(1,010)	-
Retained Deficit		(872,107)	-	(872,107)
Total recognised Income and expense for 2008-09		(871,097)	13,197	(857,900)
Grant from Parent		950,717	-	950,717
Balance at 31 March 2009		487,314	13,197	500,511
Changes in taxpayers' equity for 2009-10				
Net gain on revaluation of property, plant and equipment	**9**	-	7,783	7,783
Transfer between reserves		2,265	(2,265)	-
Retained Deficit		(919,518)	-	(919,518)
Total recognised Income and expense for 2009-10		(917,253)	5,518	(911,735)
Grant from Parent		832,378	-	832,378
Balance at 31 March 2010		402,439	18,715	421,154

The notes on pages 38 to 53 form part of these accounts.

Notes to Accounts for the year ended 31 March 2010

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) published by HM Treasury. The accounting policies contained in 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 that has been judged to be the most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material in relation to the accounts.

1.2. Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

The accounts are stated in Sterling, which is the Commission's functional and presentational currency.

1.3. Property, Plant and Equipment

Property, plant and equipment are capitalised at their cost of acquisition and installation and are revalued annually by reference to appropriate indices compiled by the Office for National Statistics.

The threshold for capitalisation of assets is £1,000 in relation to single assets or grouped assets.

All categories of property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Estimated useful lives, which are reviewed regularly, are:

Leasehold alterations	Over the lease term
Computer equipment and software	1 - 5 years
Office equipment	3 - 15 years

The Commission does not own the property it occupies, but incurs a charge for accommodation costs.

1.4. Operating Income

Operating income is income which relates directly to the operating activities of the Commission.

1.5. Grants From Parent Department

Grants from parent department represents funding received from NIO and is credited to the general reserve.

1.6. Financial instruments

Recognition
Financial assets and financial liabilities are recognised on the Law Commission's balance sheet when the Law Commission becomes party to the contractual provisions of the instrument on a trade date basis.

Trade and Other Receivables
Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated, irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and Other Payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.7. Cost of Capital

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

(a) property, plant and equipment and intangible assets where the cost of capital charge is based on opening values, adjusted pro rata for in-year:

- additions at cost;
- disposals as valued in the opening statement of financial position (plus any subsequent capital expenditure prior to disposal);
- impairments at the amount of the reduction of the opening statement of financial position value (plus any subsequent capital expenditure);
- depreciation of property, plant and equipment and amortisation of intangible assets;

1.8. Pension Costs

Employees of the Commission are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), a defined benefit scheme. The Commission recognises the expected cost of providing pensions 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.

1.9. Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the net expenditure account evenly over the lease term.

1.10. Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Commission discloses for accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.11. Value Added Tax

All items in these accounts are exclusive of VAT which is recovered on a departmental basis.

1.12. Notional Charges

Notional charges, in respect of services received from other government departments/agencies, are included to reflect the full economic cost of services.

1.13. Related Party Transactions

Costs in respect of services received from other government departments/agencies, are included prepayments and accruals but are disclosed in the notes to the accounts in accordance with FReM.

2. First Time Adoption of IFRS

	General Fund £	Reval-uation Reserve £
Taxpayers' equity at 31 March 2008 under UK GAAP	414,642	-
Adjustments for:		
- IAS 19 Employee Benefits	(6,948)	-
Taxpayers' equity at 1 April 2008 under IFRS	407,694	-

	General Fund £	Reval-uation Reserve £
Taxpayers' equity at 31 March 2009 under UK GAAP	508,004	13,197
Adjustments for:		
- IAS 19 Employee Benefits	(20,690)	-
Taxpayers' equity at 1 April 2009 under IFRS	487,314	13,197

	£
Net expenditure for 2008-09 under UK GAAP	858,365
Adjustments for:	
- IAS 19 Employee Benefits	13,742
Net expenditure for 2008-09 under IFRS	872,107

The Commission did not hold any cash or cash equivalents at 31 March 2008.

The adjustments on adoption of IFRS did not have any impact on cash flows as they are non-cash adjustments.

3. Adoption of New and Revised Standards

3.1. Accounting Standards, Interpretations and Amendments to Published Standards Adopted in the Year Ended 31 March 2010

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

The only standard that had a material impact on the financial statements was IAS 19 Employee Benefits.

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

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

3.2. 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 2010 or later periods, but which the Commission has not adopted early. Other than as outlined in the table below, the Commission considers that these standards are not relevant to its operations.

3. Adoption of New and Revised Standards (continued)

3.1. Accounting Standards, Interpretations and Amendments to Published Standards Adopted in the Year Ended 31 March 2010 (continued)

Standard	Description of revision	Application date	Comments
IAS 7	Statement of Cash Flows — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Clarification that only cash flows resulting in the recognition of an asset can be classified as investing activities. Unlikely to lead to change.
IAS 17	Leases — Amendments resulting from April 2009 Annual Improvements to IFRSs	Annual periods beginning on or after 1 January 2010	Leases of land to be classified according to general principles of the standard rather than assumed to be operating leases. Unlikely to have a significant impact.
IAS 24	Related Party Disclosures — Revised definition of related parties	Annual periods beginning on or after 1 January 2011	Inclusion of a partial exemption for government-related entities. Given that the FReM interprets the related party requirements significantly to reduce the disclosure on transactions between public sector entities it is unlikely that this will have significant impact.

3. Adoption of New and Revised Standards (continued)

3.1. Accounting Standards, Interpretations and Amendments to Published Standards Adopted in the Year Ended 31 March 2010 (continued)

In addition, the Commission has considered the additional or revised accounting standards and new (or amendments to) interpretations contained within the Government Financial Reporting Manual (FReM) 2010-11. Other than as outlined in the table below, the Commission considers that these changes are not relevant to its operations.

Chapter in FReM 2010-11	Area affected	Description of Revision	Comments
8	Impairments	An adaptation of IAS 36 Impairment of Assets to allow the scoring of all impairments that are caused by a clear consumption of economic benefit to the Net Expenditure Account.	Clarification surrounding budgetary treatment. Unlikely to have a significant impact.
11	Net Expenditure Account	The removal of Cost of Capital charging from accounts.	Applies to all public sector bodies. Guidance issued by HM Treasury means that this change is budgetary neutral. No impact on the Commission other than disclosure.

The application date for these FReM changes is 1 April 2010.

4. Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Commission's 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.

4.1 Depreciation of Property, Plant and Equipment

Depreciation is provided in the so as to write-down the Commission's 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 1.3.

4.2 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.

5. Analysis of Net Expenditure by Segment

IFRS 8 Operating Segments requires an entity to report financial and descriptive information about its reportable segments, which are operating segments or accumulations of operating segments. These are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in addressing performance. Due to the size and nature of the Commission, it is managed as a single segment, with all staff (and the Commissioners) contributing to the organisation's overall performance. As such, performance is not disaggregated for evaluation by the chief operating decision maker and so performance has not been disaggregated by operating segment in these financial statements.

6. Staff Numbers and Costs

6.1. Staff costs comprise:

	2009-10 Total £	Permanent Staff £	Commis-sioners £	Other Staff £	2008-09 Total £ (as re-stated)
Direct Staff					
Wages & Salaries	497,230	119,954	104,140	273,136	474,492
Social Security Costs	21,140	14,091	7,049	-	16,898
Pension Costs	38,556	19,298	19,258	-	40,391
Total Costs	556,926	153,343	130,447	273,136	531,781

Other staff includes staff on secondment, agency and temporary staff and contract staff. Included in the seconded staff costs is an amount of £26,307 (2009-10: £32,345) relating to the salary, employer's national insurance contributions and pension costs of the Chairman.

The Commission meets all of the staff costs for seconded staff as these are incurred, with the exception of three seconded staff, two of which whose costs are met by Land and Property Services (LPS) and one of which whose costs are met by the Department of Finance and Personnel (DFP). Although these costs, except the seconded staff whose costs are met by LPS or DFP, are fully re-charged to the Commission, the seconding organisation remains the permanent employer with responsibility for their pay, allowances and pension.

6.2. Pensions

The Principal Civil Service Pension Scheme (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. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation www.civilservice-pensions.gov.uk

For 2009-10, employers' contributions of £38,556 were payable to the PCSPS (2008-09: £40,391) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions every four years following a full scheme valuation. From 2010-11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the costs of the benefits accruing, during 2009-10 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 £nil (2008-09: £nil) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

In addition, employer contributions of £nil (0.8% of pensionable pay), were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £nil (2008-09: £nil). Contributions prepaid at that date were £nil (2008-09: £nil).

The Remuneration Report on pages 20 to 26 contains detailed pension information.

6.3. Staff numbers

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

	2009-10 No	**2008-09 No (as restated)**
Chairman	-	-
Commissioners	1	1
Permanent Staff	3	3
Other Staff	8	7
	12	11

6.3. Staff numbers (continued)

The comparative average number of whole-time equivalent persons employed during the year has been restated due to an error in the prior year calculation, decreasing Commissioners from 2 to 1, increasing Permanent Staff from 1 to 3 and decreasing Other Staff from 12 to 7 from the numbers stated in the prior year. This has decreased the total from 15 to 11 from the numbers stated in the prior year.

7. Other Expenditure

	2009-10 £	**2008-09 £ (as restated)**
Accommodation and power	55,981	65,401
General office expenditure	5,029	1,320
Office rent	82,418	83,163
Conference fees	386	1,632
Training	8,730	-
Advertising	12,983	15,811
Office rates	37,214	37,384
Professional fees / services	801	2,136
Legal services	46,286	46,848
Accountancy services	6,480	6,480
Publications	26,842	7,865
Computer costs	-	734
Materials	6,489	9,696
Travel and subsistence	5,128	4,103
Audit fee	11,620	8,300
Internal audit	4,537	-
Miscellaneous	1,064	259
	311,988	291,132

The comparative Materials and Publications expenditures have been restated to more accurately classify expenditure, decreasing Materials by £7,865, from £17,561 to £9,696 and increasing Publications by £7,865, from £nil to £7,865 from the balances stated in the prior year. The comparative Legal Services and Accountancy Services expenditures have been restated to more accurately classify expenditure. In addition Legal Services has been renamed from Consultancy in the prior year. This has had the effect of decreasing Legal Services by £6,480 from £53,328 to £46,848 and increasing Accountancy Services from £nil to £6,480 from the balances stated in the prior year.

During the year the Commission did not receive any non-audit services from its auditor, the National Audit Office (2008-09: £nil).

8. Cost of Capital

	2009-10 £	2008-09 £ (as restated)
Cost of Capital	16,204	15,894

The net expenditure account bears a non-cash charge for interest relating to the use of capital by the Commission. The basis of the charge is 3.5% of the average capital employed.

9. Property, Plant and Equipment

	Leasehold Alterations £	Computer Equipment £	Office Equipment £	Total £
Cost or Valuation				
At 1 April 2009	559,611	17,200	51,199	628,010
Additions	-	1,625	1,733	3,358
Revaluation	3,106	3,354	2,836	9,296
At 31 March 2010	562,717	22,179	55,768	640,664
Depreciation				
At 1 April 2009	50,874	5,009	5,012	60,895
Charge for year	40,925	5,034	4,645	50,604
Revaluation	282	957	274	1,513
At 31 March 2010	92,081	11,000	9,931	113,012
Net Book Value				
At 31 March 2010	470,636	11,179	45,837	527,652

	Leasehold Alterations £	Computer Equipment £	Office Equipment £	Total £
Cost or Valuation				
At 1 April 2008	547,704	17,674	48,196	613,574
Additions	-	-	-	-
Revaluation	11,907	(474)	3,003	14,436
At 31 March 2009	559,611	17,200	51,199	628,010
Depreciation				
At 1 April 2008	9,959	924	589	11,472
Charge for year	40,699	4,110	4,385	49,194
Revaluation	216	(25)	38	229
At 31 March 2009	50,874	5,009	5,012	60,895
Net Book Value				
At 31 March 2009	508,737	12,191	46,187	567,115
Net Book Value				
At 31 March 2008	537,745	16,750	47,607	602,102

10. Trade Receivables and other Current Assets

	2010 £	2009 £	2008 £
Other Receivables	13,939	10,980	1,338
	13,939	10,980	1,338

No intra-government balances are included within trade and other receivables at year end (2009: £nil, 2008: £nil).

11. Trade Payables and other Current Liabilities

	2010 £	**2009 £ (as restated)**	**2008 £ (as restated)**
Accruals	120,437	77,584	195,746
	120,437	77,584	195,746

Intra-government balances

	2010 £	**2009 £ (as restated)**	**2008 £ (as restated)**
Northern Ireland Office	609	2,399	14,913
Department of Finance and Personnel	7,712	-	102,448
	8,321	2,399	117,361

12. Capital Commitments

There were no capital commitments at 31 March 2010 or 31 March 2009.

13. Commitments under operating leases

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

	2009-10 £	**2008-09 £**
Building leases:		
Not later than one year	91,858	91,858
Later than one year and not later than five years	367,432	367,432
Later than five years	597,077	688,935
	1,056,367	1,148,225

14. 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 risk than would apply to a non-public sector body of a similar size. 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.

15. Related Party Transactions

During the reporting period the Northern Ireland Law Commission was an advisory Non-Departmental Public Body sponsored by the Northern Ireland Office and partly funded by the Department of Finance and Personnel. These bodies are regarded as related parties with which the Commission has had various material transactions during the year.

In addition, the Commission had a small number of transactions with other government departments and other central government bodies.

No board member, key manager or other related parties has undertaken any material transactions with the Commission during the year.

16. Contingent Liabilities Disclosed Under IAS 37

There were no contingent liabilities at year end (2008-09: £nil, 2007-08: £nil)

17. Events After the Reporting Period

On 12 April 2010, policing and justice functions in Northern Ireland were devolved to the Northern Ireland Assembly and the Department of Justice came into existence as a new Northern Ireland Department. From this date, the lead policy responsibility for the Commission transferred from the Northern Ireland Office to the Department of Justice.

The 2009-10 financial statements have been prepared on the basis that the Commission was an independent advisory NDPB of the Northern Ireland Office for the entire financial year and these will be laid in Parliament. There is no impact on the 2009-10 financial statements arising from the transfer of functions to the Northern Ireland Assembly on 12 April 2010.

The Annual Report and Accounts were authorised for issue by the Accounting Officer on the same day as they were certified by the Comptroller and Auditor General.

Northern Ireland
Law Commission
promoting law reform in Northern Ireland

Linum Chambers, 8th Floor
2 Bedford Square,
Bedford Street,
Belfast BT2 7ES
T : +44 (0) 28 9054 4860
E : info@nilawcommission.gov.uk
W : www.nilawcommission.gov.uk

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