

Parades Commission for Northern Ireland

**Annual Report and Financial Statements
for the year ended 31 March 2016**

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

Ordered by The House of Commons to be printed 20 July 2016

© Parades Commission for Northern Ireland copyright 2016

The text of this document (this excludes, where present, the Royal Arms and all departmental or agency logos) may be reproduced free of charge in any format or medium provided that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as Parades Commission for Northern Ireland copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries related to this publication should be sent to us at The Finance and Corporate Governance Manager, Parades Commission for Northern Ireland, Andras House, 60 Great Victoria Street, Belfast, BT2 7BB

This publication is available at <https://www.gov.uk/government/publications>

Print ISBN 9781474135191

Web ISBN 9781474135207

ID 28061608 07/16

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

Contents

Chair's Foreword	4
Performance Report	7
Accountability Report	14
Remuneration and Staff Report	18
Statement of Accounting Officer's Responsibilities	27
Governance Statement	28
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	35
Financial Statements	38

FOREWORD BY THE CHAIR

Whilst the parading environment was largely stable in 2015/2016, there were a number of challenges, and the Commission was required to manage tensions around a number of parades.

Contributing to a stable environment, the 2,851 loyalist/unionist and 219 nationalist/republican parades notified to the Commission were largely peaceful, followed well established routes, and were consistent with prior years in terms of timing, numbers, and organisers.

The vast majority of Easter Rising commemoration parades were held almost exclusively within nationalist/republican areas and involved good co-operation with the authorities.

Further stability was achieved by a high level of compliance with Commission conditions, which were imposed on about 3.6 per cent¹ of parades. There was also a low level of parade related protest, with only three parading areas, two of them in Belfast, and the other in Rasharkin, attracting formal protests.

The almost full compliance with the requirement to notify parades provided a high level of certainty to the Commission, local communities, the general public and other authorities about how parading events would proceed. There were also few legal challenges of Commission decisions. However, this stability was undermined in a number of areas.

Firstly, two parades, both in Belfast, culminated in public disorder. These were an anti-internment parade and the Twelfth of July Ardoyne interface parade. Other parades, especially in Belfast, required significant policing operations. The Ardoyne interface parading dispute experienced waning support, but continued to raise tensions, with nightly and Saturday protest parades creating an adverse impact upon local north Belfast communities. Tensions were high at three other Belfast parades, the Orange Order's Tour of the North and Whiterock parades, and an anti-immigration parade.

A further challenge was three un-notified Easter Rising parades in Lurgan, Derry/Londonderry and north Belfast. These attracted media and political commentary

¹ This figure relates to all parades that have had conditions imposed excluding the nightly protest parade by The Ligoniel Combine and the weekly protest parade by Portadown District LOL No1. There were 548 parades which had conditions imposed, 313 related to nightly parades by the Ligoniel Combine and 54 to weekly parades by Portadown District LOL No1.

about paramilitary trappings. A notified Easter Rising 2000 participant parade in Coalisland had conditions imposed about paramilitary clothing and regalia. A number of other longstanding disputes remained unresolved.

The Drumcree dispute entered its 18th year with continued weekly protests and no indication that its divisive legacy approaches any resolution. The impact upon community relations in the town remained adverse.

There were likewise limited opportunities to explore in dialogue the nature of disputes about re-routed parades in towns perceived as nationalist/republican such as Dunloy, Maghera, Bellaghy, Keady and Newtownbutler. These long running disputes attach to themselves the history of the Troubles as experienced in each local area. Extracting these parades from the past remains a significant challenge.

Ongoing tensions about a small number of the larger annual loyalist band parades included complaints about the disruption they caused to local towns on Friday evenings. Five of the 500 annual band parades required conditions. These were at Rasharkin, Newtownbutler, Downpatrick and Newry.

The Commission's approach to its work during the year included its exploration of opportunities for mediation, with initiatives commenced in Rasharkin and Dungiven. Engagement with local communities included outreach visits to Newtownbutler, Londonderry/Derry and east Belfast.

Further changes in the Commission's approach included a new partnership with Mediation Northern Ireland to improve the monitoring of contentious parades, and the improved use of the Commission's eighteen years of records as an increasingly invaluable resource. The electronic notification of parades provided a more user friendly system for organisers to notify their parades.

Judgments on two judicial reviews which were given leave during the year have not yet been decided by the Courts and may therefore raise issues in the coming year for the Commission.

As Chair, I wish to thank the Secretariat. This small efficient team, which was managed competently and energetically by the Secretary, Rene Murray, provided unstinting professional support to the Commission, whilst achieving significant budget savings.

I wish to thank my fellow Commissioners whose mutual trust, rapport and professionalism contributed to a positive environment conducive to decision making. One of the members, Frances McCartney left to take up a full time judicial role whilst two new members, Anne Marshall and Geraldine McGahey joined during the year.

To conclude, the increasing trend for organisers to respond positively to local communities when planning parades has contributed to an increasingly stable

parading environment, and whilst entrenched disputes present limited opportunities for progress at present, these are not beyond resolution.

ANNE HENDERSON

PERFORMANCE REPORT

Overview

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

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

Parades Commission
2nd floor, Andras House
60 Great Victoria Street
Belfast
BT2 7BB
Telephone: 028 9089 5900
Fax: 028 9032 2988
E-mail info@paradescommissionni.org
Web: www.paradescommission.org

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

"It shall be the duty of the Commission –

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

And Section 2(2) provides that:

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

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

The Commission is made up of six Commissioners, including a Chair. They have been appointed by the Secretary of State for Northern Ireland and have a secretariat to support them as they deliver their statutory responsibilities as set out in the Act.

The Secretary to the Commission, Ms Rene Murray, was appointed 9 June 2014. The Secretary is responsible for the effective operation of the secretariat and for

managing its financial and manpower resources. The Secretary to the Commission has also been appointed as Accounting Officer.

The secretariat is responsible for providing advice and support to the Chair and Commissioners in support of their aims and objectives, and in undertaking their statutory responsibilities. The Parades Commission had an average of 9 staff in post over the year. The Commission also made use of services provided by external professionals such as media advisors, auditors, mediators and an accountant. In addition, the Commission also has access to the invaluable services provided by a team of volunteers who give their time and expertise to provide independent observation reports on public processions and protests.

FINANCIAL STATEMENTS

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

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

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

GOING CONCERN

The Statement of Financial Position at 31 March 2016 shows total current liabilities of £94,875. This reflects the inclusion of liabilities already incurred which are due for payment in future years.

The future financing of the Parades Commission's liabilities will be met by the NIO. Although the Northern Ireland Executive is currently engaged in a review process that includes the future of parading in Northern Ireland, there is no reason to believe that the NIO's future sponsorship and future parliamentary approval will not be forthcoming. The Parades Commission 2016-17 budget has been approved by the NIO. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2015-16 financial statements.

PARADING ACTIVITIES

The current legislation requires that all public processions, with the exception of funerals and Salvation Army organised parades, are notified to the police at least 28 days before the date of the parade. Parade related protests are required to be notified to the police at least 14 days before the date of the parade. These notices are then passed on to the Parades Commission for consideration under the legislation.

The 2015-16 parading season witnessed a small decrease (44) in the number of notified parades or parade related protests when compared with the previous year (2014-15: 5,074). See table 1

Table 1: detailed breakdown of Parades and Parade related protests

Parades and Parade related protests	2015-16	2014-15
Total notifications received:	5,030	5074
Protestant/Unionist/Loyalist notifications	2851	2918
Catholic/Republican/Nationalist notifications	219	176
“other” notifications*	1960	1980
Total notifications considered sensitive:	571	619
Protestant/Unionist/Loyalist sensitive*	523	561
Catholic/Republican/Nationalist sensitive	42	55
“others”	6	3
Number of parades or parade related protests with conditions imposed:	548	583
Protestant/Unionist/Loyalist sensitive**	504	535
Catholic/Republican/Nationalist sensitive	38	47
“others”	6	1

*Other category includes charity, civic, rural and sporting events, as well as church parades. Collectively, these made up 39 percent of the overall total number of parades.

**Protestant/Unionist/Loyalist sensitive parades include 313 nightly/weekly parades at Woodvale/Twaddell, Belfast and 54 weekly parades at Garvagh Road, Portadown

Sensitive Parades and Parade Related Protests

Some parades and parade related protests are deemed “sensitive” as they have the potential to raise concerns and community tensions. In making its decisions, the Commission face the difficult task of upholding the rights of not just one group, but also of seeking to balance the conflicting rights of different groups within the statutory criteria laid down in the legislation. It approaches all “sensitive parades” independently and fairly, and remains steadfastly committed to this approach in working with all those involved in the parades issue.

In 2015-16, 548 parades and parade-related protests were subject to restrictions (2014-15: 583). The type of restrictions include the route, size and timing of a parade or protest, type of music to be played, behaviour and dress code.

The Commission members have stated that their overall objective is to help bring about a situation in which parades can take place peacefully in an atmosphere of mutual respect.

KEY ISSUES AND RISKS THAT COULD AFFECT THE COMMISSION IN DELIVERY OF ITS OBJECTIVES

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

Within the executive processes of the Parades Commission, there is embedded a corporate risk register in line with Government guidance. Risks are identified, assessed in terms of likelihood and impact, and then ranked in terms of priority.

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

PERFORMANCE

The table below summarises performance against Parades Commission 2015-16 business plan targets. Each target outcome is listed in detail below the table.

	Business Plan Objective	Total Number of Target Outcomes	Number of Target Outcomes – Fully Achieved	Number of Target Outcomes – Substantially Achieved	Number of Target Outcomes – Not Achieved
1	To consider particular proposed parades and to issue determinations as deemed necessary	3	3		
2	To promote greater understanding by the general public of parading issues	2	2		
3	To keep itself generally informed on the conduct of public processions and protest meetings	5	3	2	
4	To promote and facilitate mediation as a means of	2	2		

	resolving disputes concerning public processions				
5	To maintain high standards of governance & ensure value for money is achieved	3	2	1	

ANALYSIS AND EXPLANATIONS REGARDING DEVELOPMENT AND PERFORMANCE

BUSINESS PLAN OBJECTIVE 1 - To consider particular proposed parades and to issue determinations as deemed necessary

Target:

1. To hold formal Commission meetings throughout the year as required for full consideration of 600 approx. sensitive parades/parade related protests.
 - o The Commission held 40 quorate meetings in year to consider sensitive parades/protests.
2. To utilise, to its fullest extent, the Commission’s information database to inform decision making.
 - o The secretariat completed a full review of the completeness, accuracy and accessibility of database information. Further work is planned for 2016/17 to enhance the parading archive.
3. To issue determinations as deemed necessary in a timely manner.
 - o 548 determinations were issued in 2015/16.

BUSINESS PLAN OBJECTIVE 2 - To promote greater understanding by the general public of parading issues

Target:

1. To provide context to Commission determinations.
 - o All determinations issued by the Commission in 2015/16 provided context for the decisions taken.
2. By 31 March 2016 to hold a minimum of six meetings at locations across Northern Ireland:
 - o During 2015-16, eight outreach meetings were held in locations across Northern Ireland, with a range of stakeholders. The objective of the meetings was to promote greater understanding of parading issues. The meetings were generally well attended.

BUSINESS PLAN OBJECTIVE 3 - To keep itself generally informed on the conduct of public processions and protest meetings

Target:

1. Throughout the year, make arrangements to engage proactively with parade and protest organisers, elected and community representatives, representatives of the main religions and other stakeholders:
 - During 2015-16, the Commission proactively engaged with stakeholders. 86% of Commission meetings had representations made either in person or in writing (target set at 50%)
2. During the year Commissioners will observe a minimum of ten parades
 - The Commissioners attended 6 parades in 2015/16. The target was not fully achieved as following death threats made to the Commissioners a risk assessment concluded that Commissioners should keep their presence at parades to a minimum, if at all.
3. To organise a workshop with academics and other experts to explore and inform the Commission about strategic aspects of parading.
 - A workshop took place with the University of Ulster in December 2015.
4. To establish and make accessible a detailed archive of parading histories for current and future Commissions.
 - All parading determinations, issued since 1998, are now on the Parades Commission database. Further archiving of other associated parading documents will be completed in 2016-17.
5. Keep under review the operation of the relevant legislation and Commissions procedures.
 - Legislation/procedural rules were considered by the Commission.

BUSINESS PLAN OBJECTIVE 4 - To promote and facilitate mediation as a means of resolving disputes concerning public processions

Target:

1. Throughout the year, in areas where local agreement has not been reached, to ensure that the parties are aware of the benefits of dialogue and to facilitate mediation where the parties agree to it.
 - The Commission identified and supported mediation in four parades/parading areas.
2. Explore models of mediation with CRC / Academics / professional mediation services.
 - A number of mediators/mediation organisations made presentations to the Commission on models of mediation.

BUSINESS PLAN OBJECTIVE 5 - To maintain high standards of governance & ensure value for money is achieved

Target:

1. To promote the highest standards of corporate governance by defining and strengthening the key relationships amongst the accounting officer, the Audit Committee, the Commission and the sponsoring department.
 - The Secretary met with the sponsor department three times in 2015/16 and provided Stewardship Statements on the activities of the Commission in line with best practice. The Secretary's report to

the Commission is a standing agenda item at Commission meetings. The Audit Committee met three times in 2015/16.

2. By 31 March 2016, to have a more user friendly website in line with Commission requirements.
 - A number of enhancements to the website have been developed including advanced search facilities
3. By 31 March 2016, to provide administrative support to the Commission in an efficient, effective and economic manner within budget allocation.
 - Budget for 2015/16 has not been exceeded.

SUSTAINABILITY REPORT

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

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

From March 2015, parade and protest organisers were able to notify of parades and parade related protests on-line, reducing use of paper.

RENE MURRAY

Secretary and Accounting Officer

1 July 2016

ACCOUNTABILITY REPORT

Background

The Parades Commission for Northern Ireland (the Commission) is a non-departmental public body sponsored by the Northern Ireland Office (NIO). Created on 27 March 1997, its statutory responsibilities are set out in the Public Processions (Northern Ireland) Act 1998, amended by the Public Processions (Amendment) Northern Ireland Order 2005.

The Budget for the Commission is set by the Secretary of State for Northern Ireland and the financial activities form part of the NIO Resource DEL and Capital DEL estimates. In 2015-16, the Commission was allocated a budget of £823k.

The Directors of the Commission comprise of the Secretary and the Commissioners.

The Secretary to the Commission, Ms Rene Murray, was appointed 9 June 2014. The Secretary to the Commission has also been appointed as Accounting Officer.

ROLE OF THE CHAIR OF THE PARADES COMMISSION

The Chair is required to attend and chair Commission meetings, ensuring that these meetings are at appropriate intervals. The Chair must develop policy and provide strategic direction to the Commission to enable the effective and efficient performance of its statutory duties. The Chair must ensure personal and corporate compliance with the Code of Practice for Members of the Commission. The Chair must accept corporate responsibility for ensuring that the Commission complies with any statutory or administrative requirements for its use of public resources (including the promotion of regularity, propriety and value for money). The Chair shall assess the effectiveness and performance of the individual members of the Commission and report those assessments to the NIO. The Chair is responsible for assessing the performance of the Secretary of the Commission, consulting with the NIO when carrying out that assessment.

COMMISSION MEMBERS

Members are appointed by the NIO. The term of appointment is three years. From 1 April 2015 until 31 March 2016, membership of the Commission was as follows:

Mrs Anne Henderson (Chair)
Ms Sarah Havlin
Ms Frances McCartney*
Mr Paul Hutchinson
Mr Colin Kennedy
Ms Anne Marshall**
Mrs Geraldine McGahey***

* Ms McCartney resigned during 2015-16, last date of appointment was 26 February 2016

** Ms Marshall was appointed from 1 April 2015. The other Commissioners were appointed from 1 January 2014

*** Mrs McGahey was appointed from 22 February 2016

ANNE HENDERSON

Anne qualified as a chartered accountant in 1988. She worked for the accountancy firms KPMG and BDO Stoy Hayward in Belfast. During her three years in the international audit division of Time Warner Inc., she was based in New York and London and travelled extensively within the USA and across Europe. She has held a number of public appointments including as vice-chair, and briefly chair, of the Northern Ireland Housing Executive. She is a former board member of the International Fund for Ireland and the Enterprise Equity companies. She is a director of the Nomadic Trading Company and a member of the audit committee of Queen's University.

SARAH HAVLIN

Sarah is a qualified and experienced lawyer. After a legal career as a solicitor in private practice she moved into working in judicial and regulatory roles in the field of Public Law and Administrative Justice. She is currently the Certification Officer of Northern Ireland, a quasi-judicial and regulatory role in the field of industrial relations. She has also held a number of other positions in public office, formal regulation, judicial decision-making, policy development, formal investigations and adjudication processes.

COLIN KENNEDY

Colin is Chief Executive of the Mary Peters Trust. Prior to taking up his current position he was Chief Executive of Lenken Healthcare (Ireland) Ltd. He also spent 14 years in the finance industry. He is currently a member of the Mental Health Review Tribunal for Northern Ireland; a member of the Nursing and Midwifery Council (Fitness to Practice); a member of the Scrutiny Committee of the Pharmaceutical Society of Northern Ireland, and a Director of the Northern Ireland Football League. He served as Chairman of the General Dental Council Complaints Panel (2006-2009), a member of the Mental Health Tribunal (Ireland) (2006-2014) and as Northern Ireland representative of the NHS Pay Review Body (2013-2015).

FRANCES MCCARTNEY (resigned 26 February 2016)

Frances is a Judge (part-time) of the First Tier Tribunal, Social Security Tribunal for UK and the Immigration and Asylum Chamber UK. She is a partner in a Glasgow law firm and specialises in human rights claims, environmental planning

and public law. She is also a senior tutor at the University of Glasgow. She has held a wide range of appointments that include: Board member of Friends of the Earth Scotland; Civil Legal Aid Committee; Law Society of Scotland; and Trustee of the Scottish Human Rights Trust, Midwifery Committee of the Nursing and Midwifery Council.

PAUL HUTCHINSON

Paul is the founder/director of Imagined Spaces, a company exploring creative community relations. A former Centre Director of Corrymeela (2009-14), Paul has a background in mental health, advocacy, mediation, and the Arts. He worked for 12 years with NI Association for Mental Health, as a manager, advocate, practitioner/therapist and researcher. He was Associate Lecturer at the University of Ulster (1999-2002), teaching Advocacy and Empowerment skills. He was a Neighbourhood Renewal Advisor in North West England for 5 years, and worked for 7 years in community cohesion projects in Oldham, Burnley and Blackburn. Paul also has a background in various artistic fields as a documentary film-maker, writer and photographer. His latest film is *Waiting and Silence* (2015).

ANNE MARSHALL

Anne Marshall is a qualified solicitor with over 17 years' experience and a Deputy District Judge (Criminal, Youth and Family Courts). She was a prosecutor with the Public Prosecution Service (2012-2013) and senior Solicitor at the Children's Law Centre during 2010. She currently sits as a legally qualified Chair on the Exceptional Circumstances Body, a presiding member of the Civil Legal Services Appeals Panel and a Chair of the Police Appeals Tribunal. She is also on the Board of Governors of a local primary school.

GERALDINE MCGAHEY (joined 22 February 2016)

Geraldine stood down as Chief Executive of Larne Borough Council on 1 April 2015 when the new Northern Ireland district councils were formed. During her time as Chief Executive she was SOLACE's gender champion promoting women in local government, a representative on the Good Relations Panel reporting to the Office of the First and Deputy First Ministers and an appointee of the First Minister and Deputy First Minister to the Northern Zone Steering Committee for the Social Investment Fund. Previously, Mrs McGahey was a Building Control Surveyor in Belfast City Council (1993-2001) and Grants Officer with the Northern Ireland Housing Executive (1983-1989). She received an OBE for services to local government in the New Year Honours list for 2015. Mrs McGahey currently holds an appointment as an Equality Commissioner for Northern Ireland and is a mentor to the Woman's Leadership Initiative.

REGISTER OF INTERESTS

Commission members and senior secretariat staff are required to provide information of personal or business interests that might be perceived by a reasonable member of the public to influence their judgement in the exercise of their public duty. The Parades Commission maintains a register of interests which is available for public inspection. No interests were declared which may be perceived to conflict with their regulatory role or management responsibilities.

PERSONAL DATA RELATED INCIDENTS

There were no personal data related incidents formally reported to the Information Commissioner's Office.

REMUNERATION AND STAFF

REMUNERATION POLICY

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

The Parades Commission does not directly employ staff, it seconded staff from the Home Civil Service (HCS) or the Northern Ireland Civil Service (NICS).

For senior civil servants seconded from HCS, the remuneration is set by the Prime Minister, following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

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

For senior civil servants seconded from NICS, the remuneration is set by the Minister for Finance and Personnel following independent advice from the Review Body on Senior Salaries.

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

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

SERVICE CONTRACTS

The Constitutional Reform and Governance Act 2010 requires HCS appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made or otherwise. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Further information about the Civil Service Commissioners can be found at www.civilservicecommission.org.uk

NICS appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also

includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Policy relating to notice periods and termination payments is contained in the NICS Staff Handbook. Further information about the Civil Service Commissioners can be found at www.nicscommissioners.org

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

COMMISSIONERS' NUMBERS AND COSTS (AUDITED)

The total emoluments of the Commissioners (including the Chairperson) during the year ended 31 March 2016 amounted to £180,968 (2014-15: £155,361) and the expenses incurred by the Commissioners were £5,176 (2014-15: £8,194). Both the Chair and Commissioners are non-Northern Ireland Civil Service, therefore they are not pensionable. The salary entitlement of the Chair and Commissioners for 2015-16 was as follows:

The following members commenced membership of the Commission on 1 January 2014 (with the exception of Geraldine McGahey who was appointed 22 February 2016). The term of office is for three years ending on 31 December 2017.

Commission Member	2015-16		2014-15	
	Salary Range £000	Benefits in Kind (to nearest £100)	Salary Range £000	Benefits in Kind (to nearest £100)
Anne Henderson (Chair)	50-55		50-55	-
Sarah Havlin	20-25		20-25	-
Colin Kennedy	20-25		20-25	£600
Frances McCartney*	20-25	£5000	20-25	£9,100
Paul Hutchinson	20-25		5-10 (FYE 20-25)	-
Geraldine McGahey	0-5 (FYE 20-25)		-	

* Frances McCartney was not a resident of Northern Ireland and therefore was required to travel to Belfast to attend Commission meetings. The Parades Commission reimbursed Ms McCartney for the costs of flights, transport, car parking and hotel (if required).

The Commissioners are expected to devote approximately two days per week to Commission business over the course of a year, with a proportionately greater commitment required during the summer months.

**REMUNERATION (INCLUDING SALARY) AND PENSION ENTITLEMENTS
AUDITED**

Single total figure of remuneration										
Officials	Salary (£'000)		Performance Pay or Bonus payments (£'000)		Non-Cash Benefits (to nearest £100)		Pension benefits (£)**		Total (£'000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Ms Rene Murray	65-70	60-65	-	-	-	-	52,162	112,541		170-175

Ms Rene Murray was appointed Secretary/Accounting Officer from 9 June 2014.

** The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

There were no bonuses paid in 2015-16 (2014-15: £Nil).

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

SALARY

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

BENEFITS IN KIND

The monetary value of benefits in kind covers any benefits provided by the Parades Commission and treated by HM Revenue and Customs as a taxable emolument. Frances McCartney was not a resident of Northern Ireland and therefore was required to travel to Belfast to attend Commission meetings. The Parades Commission reimbursed Ms McCartney for the costs of flights, transport, car parking and hotel (if required). As this travel relates to travel to and from her place of work, these expenses are chargeable to tax under s163 of the Income and Corporation Taxes Act 1988, 2015-16: £5,029 (2014-15: £9,055).

PENSION ENTITLEMENTS

Ms Rene Murray was appointed Secretary/Accounting Officer, from 9 June 2014. The actuarial factors used to calculate CETVs were changed in 2010-11.

Pension Entitlements					
	Real increase in pension at pension age and lump sum at 31/3/16	Total accrued pension at pension age at 31/03/16 and related lump sum	Cash Equivalent Transfer Value at 31/03/15	Cash Equivalent Transfer Value at 31/03/16	Real increase in CETV
	£000	£000	£000	£000	£000
Rene Murray	0-2.5 plus lump sum of 5-7.5	30-35 plus lump sum of 90-95	528	622	49

PENSION ARRANGEMENTS

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced - the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic, premium or classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

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, nuvos and alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSP after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits ‘banked’ , with those earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. 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 salary related and range between 1.5% and 6.85% of pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of 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 up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 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**, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha –as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages

Further details about the Civil Service pension arrangements can be found at <http://www.civilservicepensionscheme.org.uk> .

Both the Chair and Commissioners are non-Northern Ireland Civil Service, therefore their salaries are not pensionable.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any

contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Real increase in CETV

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

COMPENSATION ON EARLY RETIREMENT

There were no redundancy or departure costs paid or payable by the Parades Commission in 2015-16 or 2014-15 in respect of Civil Service or other compensation schemes.

PAYMENTS TO PAST DIRECTORS

No payments have been made to any person who was not a Director at the time the payment was made, but who had been a Director previously.

FAIR PAY DISCLOSURE

The Commission is required to disclose the relationship between the remuneration of the most highly-paid Director or Commissioner in the organisation and the median remuneration of the organisation's workforce.

	2015-16	2014-15
	Salary	Salary
Band of Highest Paid Director's / Commissioner's FTE Total Remuneration	£000 65-70	£000 65-70
Median Total Remuneration	£22,291	£23,952
Ratio	3.03	2.82

The highest paid Director in the Parades Commission in the financial year 2015-16 was £65,000 - £70,000 (2014-15 was £65,000 - £70,000). As the Commissioners are salaried, their salary is the Full Year Equivalent and Full Time Equivalent pay. In 2015-16, the salary of the highest paid Director, was 3.03 times (2014-15: 2.82 times) the median remuneration of the workforce, which was £22,291 (2014-15: £23,952). The increase from 2.82 to 3.02 is due to a small decrease in the median salary as a result of staff changes.

Remuneration ranged from £17,620 to £66,850 (2014-15: £17,620 to £65,422).

STAFF REPORT (Audited)

Number of Senior Civil Service Staff

Grade of Senior Civil Servant	2015-16 Number of Staff	2014-15 Number of Staff
5	1	1

Staff Numbers and Costs

Average number of persons engaged

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

	2015-16			2014-15
	Total	Commissioners* and Seconded Staff	Agency Staff	Total
Directly engaged	9	8	1	9
Other	6	6	-	6
Total	15	14	1	15

* The Commissioners are expected to devote approximately two days per week to Commission business over the course of a year, with a proportionately greater commitment required during the summer months. Each commissioner is included as one whole-time equivalent person in the above numbers.

Costs	2015-16			2014-15
	Total	Seconded staff	Agency Staff	Total
	£	£	£	£
Wages and Salaries	451,702	429,153	22,549	458,590
Social security costs	36,713	36,713	-	35,112
Other pension costs	60,943	60,943	-	61,311
Total net costs	549,358	526,809	22,549	555,013

Staff Composition

	2015-16			2014-15		
	Total Average Number of Persons Engaged	Average Number of Female Persons Engaged	Average Number of Male Persons Engaged	Total Average Number of Persons Engaged	Average Number of Female Persons Engaged	Average Number of Male Persons Engaged
Commissioners	6	4	2	5	3	2
Senior Civil Service	1	1	0	1	1	0
Secretariat Staff	9	6	3	8	4	4
Total	16	11	5	14	8	6

Managing Attendance

The Parades Commission is comprised of seconded civil servants and manages attendance in line with the policies of secondees' parent departments. Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 27 days per employee in 2015-16 (2014-15: 22 days) but after adjustments for long-term sickness, this is reduced to one (2014-15: one day).

Disabled Employees

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

Equal Opportunities

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

Employee Involvement

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

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

Health & Safety

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

Expenditure on Consultancy

There was no expenditure on consultancy in 2015-16 (2014-15: £nil).

Off-payroll engagements

There were no off-payroll engagements in 2015-16 (2014-15: £nil)

Exit packages

There were no exit packages in 2015-16 (2014-15: £nil)

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 12(1) and para (2) of Schedule 1 to the Public Processions (Northern Ireland) Act 1998, the Secretary of State (with the consent of HM Treasury and Northern Ireland Office) has directed the Parades Commission for Northern Ireland to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Parades Commission for Northern Ireland and of its net resource outturn, application of resources, 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 financial statements;
- prepare the financial statements on a going concern basis
- ensure there is no relevant audit information of which the entity's auditors are unaware, and take all the steps necessary to be aware of any relevant audit information and to establish that the entity's auditors are aware of that information; and
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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

GOVERNANCE REPORT

1. Introduction and Context

The Parades Commission for Northern Ireland (the Commission) is an independent executive non-departmental public body sponsored by the Northern Ireland Office (NIO) which was created on 27 March 1997. It was given statutory responsibilities on 16 February 1998 by the commencement of the Public Processions (Northern Ireland) Act 1998.

From 1 April 2015 to 31 March 2016, the Commission had six Commissioners, including its Chair. It is supported by a secretariat. The secretariat had on average 9 seconded staff, including myself, the Secretary, also seconded. I am also appointed as Accounting Officer. The Commission normally meets on a weekly basis and its approval is required for any significant changes relating to the operation of the Parades Commission. The Commission also has an Audit and Risk Committee which meets formally three times a year, or more frequently as required, to assist and advise the Accounting Officer on governance responsibilities. Any recommendations made by the Audit and Risk Committee have to be approved by the Commission.

Management and I meet with the sponsor division within the NIO on a quarterly basis to discuss corporate issues.

2. Scope of Responsibility

I was appointed Accounting Officer on 9 June 2014, and was advised about the system of internal control in operation prior to my appointment by my predecessor and the Chair of the Audit and Risk Committee.

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Parades 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 such, I am responsible for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Commission.

In my role as Secretary to the Commission, I am responsible for the effective operation of the secretariat and for managing its financial and manpower resources. I provide advice and support to the Chair and Commissioners in support of their aims and objectives and in undertaking their statutory responsibilities. One of the statutory responsibilities is "to keep under review, and make such recommendations as it thinks fit to the Secretary of State, concerning, the operation of the Act". There were no recommendations made to

the Secretary of State in 2015-16. There were no Ministerial directions in the 2015-16 financial year.

3. Governance Framework

In my role as Accounting Officer, I function with the support of the Audit and Risk Committee and my Management Team. This is outlined below:



Audit and Risk Committee

The Audit and Risk Committee supports the Accounting Officer and the Commission in their responsibilities for issues of risk, control and governance by reviewing whether proportionate assurances for meeting the Commission's and Accounting Officer's responsibilities are available and by testing the reliability and integrity of these assurances. This includes oversight of the effective operation and impact of the Framework document and the Commission's business planning process.

The Audit and Risk Committee is comprised of all Commissioners, except the Chair of the Commission and must have two Commissioners in attendance to be quorate. The Audit and Risk Committee is also attended by the Accounting

Officer, Deputy Secretary, Internal Audit, the National Audit Office (as external auditors), external accountant and representatives from the sponsor department. The Committee meets three times per year and more frequently as required. In addition to providing all Commissioners with a copy of the minutes of meetings of the Committee, the Chair of the Audit and Risk Committee briefs the Commission after each meeting.

Attendance at the Audit and Risk Committee is disclosed in table below:

Commissioner / Secretariat	Audit and Risk Committee Attendance
Sarah Havlin (Chair)	2/3
Frances McCartney	3/3
Colin Kennedy	3/3
Rene Murray	3/3

The Audit and Risk Committee, over the course of the year, fulfilled its role in reviewing the comprehensiveness of assurances, risk processes, and the integrity of financial reports to be able to provide assurance on same to the Commission.

During the 2015-16 financial year the Audit and Risk Committee advised the Commission on the following significant areas:

- The accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, level of errors identified and managements letter of representation to the external auditors;
- The risk management process;
- The planned activity and results of both internal and external audit;
- The adequacy of management responses to issues identified by audit activity, including the external auditor’s Audit Completion Report and the progress on the implementation of recommendations from internal and external audit reports; and
- Specific, significant issues for the attention of the Committee.

Based on the views expressed by the Accounting Officer, the Internal Auditors and the External Auditors, the Committee was satisfied with its overall effectiveness.

4. Corporate Governance Code

The Commission conducts its affairs in accordance with a comprehensive corporate governance framework. Although not part of central government, the Commission is expected to follow the Corporate Governance Code (*Corporate governance in central government departments, code of good practice, published*

by *HM Treasury and the Cabinet Office, July 2011*) as far as applicable. The Commission is compliant with the Code in a number of ways. The Commission has a comprehensive Framework document agreed with the NIO which sets down its values and principles, and lines of accountability.

I complete Stewardship Statements bi-annually, based on my own knowledge plus assurances from managers within the secretariat. These statements are sent to the sponsor department. The purpose of the statements is to improve management and control by identifying management's specific responsibilities and seeking a written assurance that they have been exercised with due care and attention. These statements also inform the content of this Governance Statement.

5. Commission's Performance

Throughout 2015-16, the Commission effectively discharged its statutory functions and duties. It listened to evidence and where necessary, issued determinations on parades and parade related protests. In line with best practice, the operational procedures of the Commission and the quality of data used by the Commission is kept under continuous review to ensure that the Commission is content that it is provided with all requisite information to enable it to make informed decisions.

The Commission, with assistance from the secretariat, has developed systems and processes within the Parades Commission. Whilst the Commission was content to continue with the strategic direction outlined during the 'Strategic Planning 2014-17' in February 2014, one additional strategic objective was included, to incorporate the Commission's operational role i.e. to consider particular proposed parades and to issue determinations as deemed necessary. The four original strategic objectives were to seek to empower and support communities to take control and make their own decisions; commit to improving strategic engagement with parades organisers, protest groups and wider groups; to promote positive feedback / success stories of positive parades; and, explore strategic partnerships to enhance the work of the Commission.

With these strategic objectives agreed, in March 2015, the Commission developed its objectives for the forthcoming year, forming a basis for the 2015-16 Business Plan. The objectives set for 2015-16 reflect the Commission's statutory duties and functions, incorporating its strategic vision. The 2015-16 Business Plan can be found on the website².

² <https://www.paradescommission.org/getmedia/43948ffb-d964-46b6-960b-641bc723f9af/NorthernIrelandParadesCommission.aspx>

The Commissioners completed a self-assessment, to evaluate their performance in 2015-16. The Commission has now completed two of its three year appointment and is generally content that all areas are operating effectively.

The Commission does not lead on the governance statement, which is written by the Accounting Officer, reviewed by the Audit and Risk Committee, and cleared by the Commission before publication.

6. Internal Audit Reports Submitted to Audit and Risk Committee

In 2014-15, ASM were appointed as internal auditors to the Parades Commission, through a tender competition. The services provided by ASM operate to standards defined by the Public Sector Internal Audit Standards.

Internal Audit's work plan is informed by an analysis of the risk to which the Commission is exposed.

Internal Audit's findings are presented to the Audit and Risk Committee and copies of all final reports are sent to me, as Accounting Officer. In addition, Internal Audit provides an annual written statement to the Audit and Risk Committee, setting out a formal opinion on the adequacy and effectiveness of the Committee's risk management, control and governance processes. Internal Audit conducted three reviews on the following activities during 2015-16:

- Post Implementation Review of Notification Management System (NMS); the Review:
- The Procurement of Mediation Services Review; and
- Follow-up Review of outstanding recommendations.

The Follow-up Review concluded that of the 4 outstanding recommendations from 2014-15, three were fully implemented and one was no longer deemed applicable. The recommendation not implemented related to a training needs analysis for Commissioners.

In the Annual Assurance Statement, the Internal Auditors stated that, during the year ended 31 March 2016, the Commission's systems in relation to risk management, control and governance were adequate and operated effectively, thereby providing an overall substantial assurance in relation to the effective and efficient achievement of the Commission's objectives.

7. Risk Assessment

The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. Risks are managed on an ongoing basis in a process that is designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Parades Commission for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

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

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

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

The Commission operates a "traffic light" corporate risk register in line with Government guidance. The Commission revised its corporate risk register following feedback received from the internal auditors. Changes have been made to the format of the register and each risk has been assigned a risk owner. The register is kept under constant review, with a formal quarterly review, and update by management as necessary. Risks are identified and assessed in terms of likelihood of occurrence and impact of risk. Management considers signs of risks changing, examined existing risk control tools and, if necessary, take remedial action.

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

During the course of 2015-16 our main risks were financial and reputational risks, including maintenance of IT and protection of our information. One new risk emerged in 2015-16 regarding failure to identify opportunities for mediation. On-going operational risks are managed as follows:

- As an on-going process any risk is identified, evaluated and controlled by me and my management team and following advice from the Audit and Risk Committee;
- Any changes to the assessment and evaluation of risk are noted by the Audit and Risk Committee and ratified by the full Commission; and
- The full Commission's lead on determining and evaluating the Commission's risks; and
- risks are communicated to staff by management, at monthly secretariat meetings and in the risk register.

8. Personal Data Related Incidents

There were no personal data related incidents formally reported to the Information Commissioner's Office.

9. Significant Internal Control Issues

There were no significant internal control issues identified during 2015-16.

10. Other issues of note

During 2015-16 I authorised the write-off of £1,102.61 for sums previously charged through the Parades Commission accounts which were due to be recovered. The sums relate to an outstanding phone bill of a former Commissioner. The period for which the charges relate is February 2011 to March 2013.

R MURRAY
Secretary and Accounting Officer

1 July 2016

CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of Parades Commission for Northern Ireland for the year ended 31 March 2016 under the Public Processions (Northern Ireland) Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Commission, Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

Accountability Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Parades Commission for Northern Ireland's affairs as at 31 March 2016 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Public Processions (Northern Ireland) Act 1998; and

- the information given in the Strategic Report, Director's Report and Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

Date 5 July 2016

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

**Statement of Comprehensive Net Expenditure
for the year ended 31 March 2016**

		2015-16	2014-15
	Notes	£	£
Expenditure			
Staff costs	2	549,358	555,013
Other Expenditures	3	139,363	383,268
Depreciation and amortisation	3	26,543	24,834
Revaluation	3	(279)	(165)
(Gain) / Loss on disposal	6	-	1,071
Net Expenditure		714,985	964,021
Other Comprehensive Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	(286)	(291)
Net (gain)/loss on revaluation of Intangibles	7	(925)	(765)
Total Comprehensive Expenditure for the year ended 31 March 2016		713,774	962,965

The above expenditure is derived from continuing operations.

The notes on pages 42 - 53 form part of these accounts.

Statement of Financial Position
as at 31 March 2016

		2015-16		2014-15	
	Notes	£	£	£	£
Non-current assets:					
Property, plant and equipment	5		24,670		35,179
Intangible assets	6		51,564		61,068
Total non-current assets			76,234		96,247
Current assets:					
Trade and other receivables	8	25,879		17,019	
Cash and cash equivalents	9	-		-	
Total current assets			25,879		17,019
Total assets			102,113		113,266
Current liabilities:					
Trade and other payables	10	(94,875)		(211,499)	
Total current liabilities			(94,875)		(211,499)
Non-current assets less net current liabilities			7,238		(98,233)
Non-current liabilities:					
Other Payables			-		-
Assets less liabilities			7,238		(98,233)
Taxpayers' equity					
Revaluation reserve			1,846		1,028
General reserve			5,392		(99,261)
			7,238		(98,233)

The financial statements on pages 38-41 were approved by the Commission on 1 July 2016 and were signed on its behalf by:

Rene Murray

1 July 2016

Accounting Officer

Date

The notes on pages 42 - 53 form part of these accounts.

**Statement of Cash Flows
for the year ended 31 March 2016**

		2015-16	2014-15
	Notes	£	£
Cash flows from operating activities			
Net Expenditure after interest		(714,985)	(964,021)
Adjustments for non-cash transactions:			
Depreciation & amortisation	5,6	26,543	24,834
Revaluations through SoCNE		(279)	(165)
Adjust for gain / (loss) on disposal		-	1,071
(Increase) / decrease in trade and other receivables	8	(8,860)	7,918
<i>Less movements in receivables relating to items not passing through the Net Expenditure account</i>			
Increase / (decrease) in trade payables	10	(116,624)	56,631
<i>Less movements in payables relating to items not passing through the Net Expenditure account</i>		(5,040)	45,006
Net cash outflow from operating activities		(819,245)	(828,726)
Cash flows from investing activities			
Purchase of property, plant and equipment		-	(11,888)
Purchase of intangible assets		-	(43,306)
Net cash outflow from investment activities		-	(55,194)
Cash flows from financing activities			
Funding from Parent Department		819,245	883,920
Net cash inflow from financing activities		819,245	883,920
Net decrease in cash and cash equivalents in the period	9	-	-
Cash and cash equivalents at the beginning of the period	9	-	-
Cash and cash equivalents at the end of the period	9	-	-

The notes on pages 42 - 53 form part of these accounts.

**Statement of Changes in Taxpayers Equity
for the year ended 31 March 2016**

		General Reserve	Revaluation Reserve	Total Reserves
	Notes	£	£	£
Balance at 31 March 2014		(19,544)	356	(19,188)
Changes in Taxpayers' equity for 2014-15				
Net gain/(loss) on revaluation of property, plant and equipment	5		291	291
Net gain/(loss) on revaluation of intangible assets	6		765	765
Comprehensive Expenditure for the year		(964,021)	-	(964,021)
Transfers between reserves		384	(384)	-
Funding from Parent		883,920	-	883,920
Balance at 31 March 2015		(99,261)	1,028	(98,233)
Changes in Taxpayers' equity for 2015-16				
Net gain/(loss) on revaluation of property, plant and equipment	5		286	286
Net gain/(loss) on revaluation of intangible assets	6		925	925
Comprehensive Expenditure for the year		(714,985)	-	(714,985)
Transfers between reserves		393	(393)	-
Funding from Parent		819,245	-	819,245
Balance at 31 March 2016		5,392	1,846	7,238

The element of the closing revaluation reserve relating to intangibles is £1,393 (2014-15 £660).

The notes on pages 42 – 54 form part of these accounts.

**Notes to the Parades Commission's Accounts
for the year ended 31 March 2016**

1. Statement of accounting policies

The Financial statements have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Parades Commission for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Parades Commission for Northern Ireland for the year ending 31 March 2016 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

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

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

1.2 Critical accounting estimates and key judgements

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

(i) - Depreciation of property, plant and equipment

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

(ii) - Impairment of property, plant and equipment

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

1.3 Funding

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

1.4 Property, plant and equipment and depreciation

Expenditure on items, or groups of items, of property, plant and equipment costing £1,000 or more (including VAT) is capitalised. Expenditure on a complete computer unit is classified as capital expenditure regardless of the price. Expenditure on printer is classified as capital expenditure if the purchase cost of an individual item (including VAT) is over £500.

On initial recognition, separate component assets are identified and are measured at cost including any costs such as installation directly attributable to bringing them into working condition. Owned assets are subsequently re-valued annually using appropriate indices compiled by the Office for National Statistics.

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

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

Furniture & equipment	15 years
Computer hardware	5 years
Computer servers	5 years
Leasehold Improvements	4 Years or length of lease

1.5 Intangible Assets

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

The Commission's intangible assets consist of software licences where expenditure is £1,000 (including VAT) or more.

Intangible assets are re-valued annually using appropriate indices compiled by the ONS. Amortisation is provided on a straight line basis. The estimated useful lives for amortisation purposes are:

Software licences	5 years
Website development	5 years
Computer software	5 years

1.6 Operating Leases

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

1.7 Pensions

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

1.8 Value Added Tax

The Commission is not VAT registered, therefore all expenditure is inclusive of VAT.

1.9 Staff Costs

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

1.10 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2016

The Parades Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2015-16 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the Commission's financial position or results.

1.11 Impending application of newly issued accounting standards not yet effective

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

1.12 Segmental Reporting

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

2. Staff numbers and related costs

Staff costs comprise:

	2015-16			2014-15
	Total	Seconded staff	Agency Staff	Total
	£	£	£	£
Wages and salaries	451,702	429,153	22,549	458,590
Social security costs	36,713	36,713	-	35,112
Other pension costs	60,943	60,943	-	61,311
Total net costs	549,358	526,809	22,549	555,013

3. Other Expenditure

		2015-16	2014-15
	Note	£	£
Other Expenditures:			
Rent and Rates		43,443	53,514
Professional Advisers Fees		42,434	60,097
Computer Maintenance		35,442	44,545
Auditor's remuneration		15,000	15,000
Advertising & Publications		10,783	15,241
Telecommunications		7,452	10,736
Other Expenditure		6,016	8,733
Travel, subsistence & hospitality		4,527	3,658
Rentals under operating leases		-	47,293
Mediation		-	7,577
Training		-	3,750
Courier service		-	-
Accommodation costs		(25,734)	113,124
Subtotal Other Expenditure		139,363	383,268
Non-Cash Items:			
Amortisation	7	15,470	13,584
Depreciation	6	11,073	11,250
Gain / Loss on Disposal		-	1,071
Revaluations through SoCNE	6,7	(279)	(165)
Subtotal Non-cash Items		26,264	25,740
Total		165,627	409,008

Accommodation costs in 2014-15 include £87,353 of accrued dilapidation costs, and other associated costs, related to the relocation of office premises from Windsor House to Andras House on 1 February 2015. The final costs were £33,912 less than accrued resulting in the accommodation costs credit of £25,734 in 2015-16.

4. Income

There was no income received in 2015-16 (2014-15 £nil).

5.a Property, Plant and Equipment

	Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2015	-	55,172	19,103	74,275
Additions	-	-	-	-
Disposals	-	(6,571)	(12,551)	(19,122)
Revaluations through SoCNE	-	248	31	279
Revaluations	-	393	-	393
At 31 March 2016	-	49,242	6,583	55,825
Depreciation				
At 1 April 2015	-	22,095	17,001	39,096
Charged in year	-	10,676	397	11,073
Disposals	-	(6,571)	(12,551)	(19,122)
Revaluations through SoCNE	-	-	-	-
Revaluations	-	108	-	108
At 31 March 2016	-	26,308	4,847	31,155
Carrying amount at 31 March 2016	-	22,934	1,736	24,670
Carrying amount at 31 March 2015	-	33,077	2,102	35,179
Asset financing:				
Owned	-	22,934	1,736	24,670
Carrying amount at 31 March 2016	-	22,934	1,736	24,670

5.b Property, Plant and Equipment (continued)

	Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2014	19,790	61,658	21,463	102,911
Additions	-	-	-	-
Disposals	(19,790)	(7,034)	(2,360)	(29,184)
Revaluations through SoCNE	-	165	-	165
Revaluations	-	383	-	383
At 31 March 2015	-	55,172	19,103	74,275
Depreciation				
At 1 April 2014	19,790	18,355	17,722	55,867
Charged in year	-	10,682	568	11,250
Disposals	(19,790)	(7,034)	(1,289)	(28,113)
Revaluations through SoCNE	-	-	-	-
Revaluations	-	92	-	92
At 31 March 2015	-	22,095	17,001	39,096
Carrying amount at 31 March 2015	-	33,077	2,102	35,179
Carrying amount at 31 March 2014	-	43,303	3,741	47,044
Asset financing:				
Owned	-	33,077	2,102	35,179
Carrying amount at 31 March 2015	-	33,077	2,102	35,179

6.a Intangible assets

	Software licenses	Website	Total
	£	£	£
Cost or valuation			
At 1 April 2015	12,335	72,899	85,234
Additions	-	5,040	5,040
Disposals	(12,335)	-	(12,335)
Revaluations	-	1,120	1,120
At 31 March 2016	-	79,059	79,059
Amortisation			
At 1 April 2015	11,455	12,711	24,166
Charged in year	880	14,590	15,470
Disposals	(12,335)	-	(12,335)
Revaluations	-	194	194
At 31 March 2016	-	27,495	27,495
Carrying amount at 31 March 2016	-	51,564	51,564
Carrying amount at 31 March 2015	880	60,188	61,068
Asset financing:			
Owned	-	51,564	51,564
Carrying amount at 31 March 2016	-	51,564	51,564

6.b Intangible assets (continued)

	Software licenses	Website	Total
	£	£	£
Cost or valuation			
At 1 April 2014	12,335	61,918	74,253
Additions	-	10,188	10,188
Revaluations	-	793	793
At 31 March 2015	12,335	72,899	85,234
Amortisation			
At 1 April 2014	10,554	-	10,554
Charged in year	901	12,683	13,584
Revaluations	-	28	28
At 31 March 2015	11,455	12,711	24,166
Carrying amount at 31 March 2015	880	60,188	61,068
Carrying amount at 31 March 2014	1,781	61,918	63,699
Asset financing:			
Owned	880	60,188	61,068
Carrying amount at 31 March 2015	880	60,188	61,068

7. Financial instruments

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

8. Trade receivables and other current assets

	2015-16	2014-15
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	19,388	17,019
Other receivables	6,491	-
	25,879	17,019

9. Cash and cash equivalents

The Parades Commission does not operate its own bank account nor does it hold petty cash. The NIO make payments on behalf of the Parades Commission.

10. Trade payables and other current liabilities

	2015-16	2014-15
	£	£
Amounts falling due within one year:		
Trade payables	7,154	13,926
Accruals and deferred income	84,486	197,573
Other taxation and social security	3,235	-
	94,875	211,499

11. Commitments under leases

11.1 Operating leases

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

	2015-16	2014-15
Buildings	£	£
Not later than one year	21,356	21,356
Later than one year and not later than five years	16,017	37,373
Later than five years	-	-
	37,373	58,729

The property lease on Andras House terminates on 31 January 2018.

11.2 Finance leases

The Parades Commission has no obligations under finance leases.

12. Capital Commitments

The Parades Commission does not have any capital commitments as at 31 March 2016 (2014-15: £nil).

13. Contingent Liabilities disclosed under IAS 37

The Parades Commission has no contingent liabilities at 31 March 2016 (2014 – 15: £nil).

14. Related-party transactions

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

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

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

15. Events after the Reporting Date

The result of the referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

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

Parades Commission for Northern Ireland
Andras House
60 Great Victoria Street
Belfast
BT2 7BB
E-mail: info@paradescommissionni.org
Website: www.paradescommissionni.org

ISBN 978-1-4741-3519-1



9 781474 135191