

# Annual Report and Financial Statements Parades Commission for Northern Ireland for the year ended 31st March 2011

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



parades  
commission





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# Foreword By The Chairman

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This Annual Report covers the period  
1 April 2010 to 31 March 2011.

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

Parading is part of the cultural fabric of our society, an inherent part of what is Northern Ireland. Our challenge, as a society, is to continue to work on the quality, intent and impact of parading so that all members of this community regardless of background can embrace it as a positive cultural expression.

This region has witnessed a remarkable and positive transition in its social and political life in recent years. We are seeking to build a future in which everyone can play an equal part. Many people have a positive vision about the future and are able to demonstrate that vision in positive terms.

A century ago we led the world in enterprise, innovation and culture. Now, in 2011, we dare to imagine what this region may aspire to in years and decades to come.

That is why the reduction of the number of contentious parades to fewer than 200 in the last year, out of a total of 3,962, for the first time in decades, is very welcome. Those 195 contentious parades also include over 50 weekly notifications that are associated with a single ongoing dispute at Drumcree.

So, while the large majority of parades take place without contention, the challenge for civic society as a whole, and for us as a Commission, is to continue to make progress where we can and reduce even further the number of parades that are contentious. Where difficulties remain we will seek to create conditions and provide a framework for progress through dialogue, but ultimately it is a matter for the parading institutions, the local community and political and civic leaders to find accommodation and make progress.

All of us have a duty to try and see things from the 'other' person's point of view, whomever the 'other' person might be. That principle applies to our work as a Commission. I am convinced that among those who wish to parade and those who object to parades, more progress could be made if people approached the issue with a genuine attempt to understand the concerns, needs and values of the other side of the community. We could all learn from St Francis of Assisi who prayed "Divine Master grant that I may not so much seek to be understood as to understand".

There is no doubting whatsoever the legitimacy and the intent of those who are engaged in parading issues and parading disputes. I am fully aware of the work put in over hours, days, weeks and months by people on the ground which has helped to lessen the tension around parades. That work has been vital in the past and will be invaluable as we go forward.

As a Parades Commission, our vision for the future of parading in Northern Ireland is one where all parades are conducted responsibly and are well managed with little or no contention. We want to see parades happen while promoting and respecting cultural diversity. There should be respect for those unionist and nationalist communities around and within which parades occur.

Our vision is also for a parading environment where there is no longer the need for a body such as the Parades Commission to adjudicate on contentious parades.

The vision for parading in the future needs to be clearly expressed particularly by the parading institutions and political leadership. That vision must balance people's rights and responsibilities, and define how parading fits within a shared society where even the most divided space can be better shared.



# Foreword

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It is extremely encouraging that more and more people across the community are supporting the work of the Parades Commission and are acknowledging the contribution the Commission has made to date, and continues to make, in improving the parading environment.

We want that public confidence to increase further, but we are aware that that is best achieved through people working in partnership with all stakeholders and communities. For our part we acknowledge that improvements can always be made to the way we do our business. We will, therefore, be reviewing our processes over coming months to find out what we are currently doing well and what things we should review and refine or change. We want to hear from as many people as possible and I encourage people to participate.

I want to acknowledge also the work of previous Commissions, Commissioners, members of the secretariat, authorised officers and monitors. This is one of the toughest, most frustrating and challenging areas of public service that people can undertake in Northern Ireland; and, therefore, it tends to attract people with integrity who wish to make a contribution to the building of peace and reconciliation. It is often thankless and unforgiving. I, and my colleagues, appreciate the foundations on which we might build.

I hope we may be able to build that vision and practice in partnership with parading institutions, political and community leaders, clergy and civic society as a whole; working together to value, promote and protect the rights and responsibilities of everyone.

**Peter Osborne**

# Accounting Officer's Report

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## **FINANCIAL STATEMENT - ACCOUNTS DIRECTION**

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

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

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

## MISCELLANEOUS DISCLOSURES

### **MEMBERSHIP OF THE COMMISSION**

From 1 April 2010 until 31 December 2010 the membership was as follows:

Mrs Rena Shepherd (Chair)  
Mrs Kelly Andrews  
Mr Michael Doherty  
Mr Edwin Graham  
Dr Joe Hendron  
Mrs Vilma Patterson  
Mrs Alison Scott-McKinley

From 1 January 2011 until 31 March 2011 the membership was as follows:

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

### **DISABLED EMPLOYEES**

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

## **EQUAL OPPORTUNITIES**

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

## **EMPLOYEE INVOLVEMENT**

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

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

## **HEALTH AND SAFETY**

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

## **MANAGING ATTENDANCE**

The Parades Commission is comprised of seconded civil servants and manages attendance in line with the policies of secondees' parent Departments. Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 5.5 days per employee in 2010-11.

## **SUSTAINABLE DEVELOPMENT**

As a sponsored body of the Northern Ireland Office, the Parades Commission is signed up to the Carbon Reduction Energy Efficiency Scheme run by the Department of Energy and Climate Change. The aim of the scheme is to lower national carbon emissions by encouraging Departments and businesses to become more energy efficient through energy saving projects. The Commission has a recycling policy that

involves the recycling of dry office waste, recycling of print cartridges and the ordering of recycled photocopying paper. No bottled water is used in the Commission.

### **CORPORATE SOCIAL RESPONSIBILITY**

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

### **CORPORATE GOVERNANCE**

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

### **AUDIT COMMITTEE**

The Audit Committee is charged with ensuring that the Commission and Accounting Officer have the necessary assurance they require on risk management, governance and internal control. The Commission's Audit Committee met three times in 2010-11. The then Committee was chaired by Vilma Patterson with Joe Hendron as the second member. The current Committee is chaired by rotation and comprises the following members: Douglas Bain, Catriona King and Frances Nolan.

### **RISK MANAGEMENT AND REGISTER**

Within the executive processes of the Parades Commission, a corporate Risk Register has been embedded in line with Government guidance. Risks are identified, assessed in terms of regularity of occurrence and impact, and then ranked in terms of risk. The Risk Register is kept under constant review and updated by Senior Management as necessary.

Senior Management consider signs or warnings of risks altering, examine existing controls to reduce or manage risks and, if necessary, take additional action.

### **PRINCIPAL RISKS**

The principal risk identified is anything that would prevent the Commission from discharging its statutory duties in respect of notified processions and related protests.

### **INFORMATION ASSURANCE**

The Commission is committed to safeguarding personal data it holds and follows the Information Assurance policies of the Northern Ireland Office, as its parent Department. Risks in this area are recorded in the Commission's Risk Register, and the Commission receives regular reports on measures to minimize the likelihood of occurrence of these, and other, risks. No personal data related incidents were reported during 2010-11.

### **REGISTER OF INTERESTS**

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

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

### **AUDIT**

The National Audit Office (NAO) has been appointed under statute to examine these accounts and report on the audit examination. The total fee £12,750 in 2010-11 (2009-10: £15,750) relates to the provision of statutory audit services. The NAO did not provide any other services to the Commission during the year.

### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

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

# Management Commentary

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## ORGANISATIONAL 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 public processions and related protests.

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

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

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

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

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

## "IT SHALL BE THE DUTY OF THE COMMISSION:

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

## AND SECTION 2 (2) PROVIDES THAT:

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

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

## REVIEW OF ACTIVITIES

The Parades Commission received notification of 3,962 parades in the year from 1 April 2010 to 31 March 2011. Only 195 of those required detailed consideration by the Commission and of those only 146 required the imposition of conditions, including on the proposed route. In making its decisions the Commission faced the difficult task of upholding the rights of not just one group, but also of seeking to balance the conflicting rights of different groups within the statutory criteria laid down in the legislation. It approached each of these contentious parades independently and fairly, and it remains steadfastly committed to this approach in working with all those involved in the parades issue. The Commission members have stated that their overall objective is to help bring about a situation in which parades can take place peacefully in an atmosphere of mutual respect.

# Parading Statistics

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FIG 1. Total no. of Parades

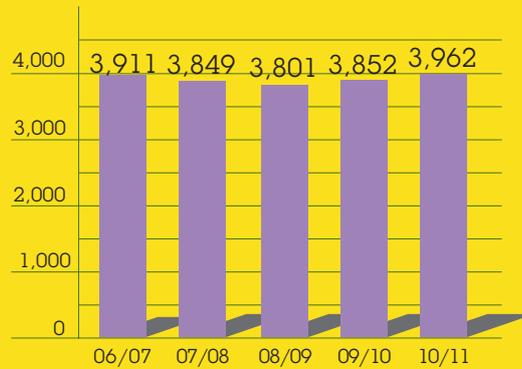


FIG 2. Total no. of Contentious Parades

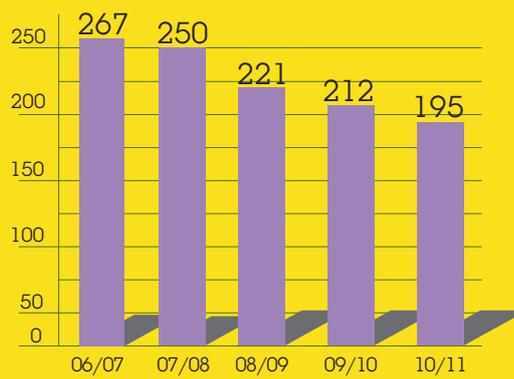


FIG 3. Restrictions on Contentious Parades



FIG 4. Breakdown of 10/11 Parades

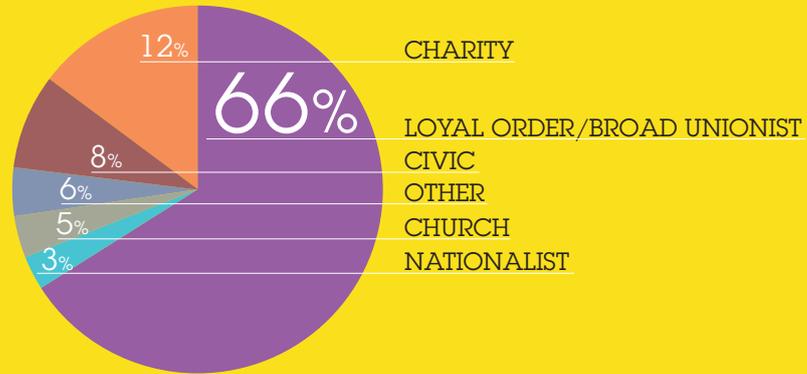


FIG 5. Breakdown of Loyalist/Unionist parades

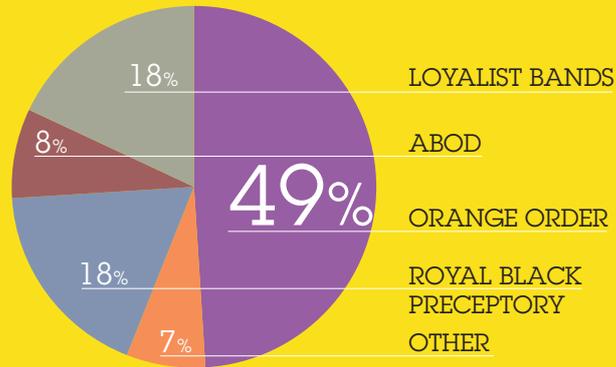
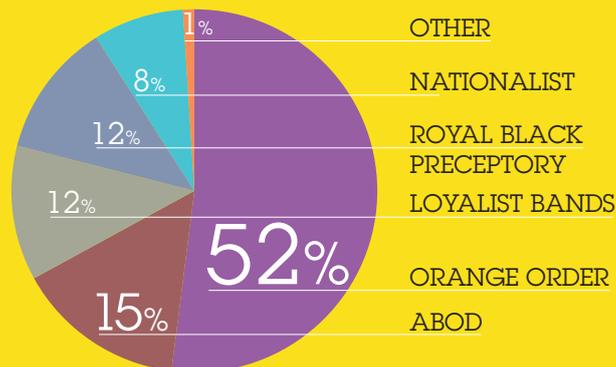


FIG 6. Total Contentious Parades by Type



## **TOTAL PARADES NOTIFIED**

The 2010-11 parading season witnessed a slight increase in the overall number of parades from the previous year (3,962 in comparison to 3,852) with a similar breakdown of parade types. The current legislation requires that all public processions, with the exception of funerals and Salvation Army organised parades, are notified to the police at least 28 days before the date of the parade. The notifications are then passed on to the Parades Commission.

## **TOTAL PARADES BY TYPE**

The number (2,629) of parades organised by the Loyal Orders and broad Unionist tradition represents 66% of the overall total. This is a slight increase from the previous year's figure (2,606), which accounted for 67% of the overall total. The number (123) of parades organised by Nationalist groups was a further decrease from the previous year (134) and remains very low at 3% of the overall total. There was a substantial number of "Other" parades and a slight increase from the previous year (1,210 in comparison to 1,112). This category includes charity, civic, rural and sporting events, as well as church parades. These made up 31% of the overall total number of parades (29% in 2009-10).

## **TOTAL CONTENTIOUS PARADES**

The number of parades deemed to be contentious fell for the third successive year to 195 from 212 in 2009-10. This represents just under 5% of the total number of parades notified, which is a further small but welcome reduction from the previous year (5% in 2009-10). Fifty-two of the parades deemed to be contentious related to the weekly notification by Portadown LOL District No. 1 in respect of the Garvaghy Road. Contentious parades are those that are considered as having the potential of raising concerns and community tensions, and which consequently are considered in more detail by the Parades Commission.

## **CONTENTIOUS PARADES BY TYPE**

The vast majority of contentious parades continued to be Loyalist/Unionist parades, which accounted for c.92%, the same as in 2009-10. The proportion of contentious Nationalist parades remained as last year at just under 8%. Other parades accounted for less than 1% of the total.

## **BREAKDOWN OF RESTRICTIONS**

The proportion of contentious parades and parade-related protests on which the Commission placed restrictions was 75%, an increase from the figure for the previous year (66%). The most common restriction was on the route of a contentious parade, which applied in 58% of restrictions. The remainder of restrictions related to size and timing of a parade or protest, type of music to be played, behaviour and dress code.

## **FUNDING**

The Commission is financed through the Northern Ireland Office. Its budget is set with the agreement of the Secretary of State for Northern Ireland. The Account below relates to the year ending on 31 March 2011.

## **RESULTS FOR THE YEAR**

Net expenditure for the year was £1,021,633 (2009-10: £1,038,811). The Commission has met its key financial target of managing its workload in 2010-11 within a running costs budget (to cover salaries and administrative expenditure) to financial limits agreed with the Northern Ireland Office (including in-year adjustments).

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

Commissioners' expenditure for the year amounted to £279,589 (2009-10 £317,269) and Secretariat expenditure for the year amounted to £724,044 (2009-10 £721,475).

## **PROPERTY, PLANT AND EQUIPMENT**

Details of the movement of property, plant and equipment are detailed in note 7 to the accounts.

## **PENSION LIABILITIES**

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

### **PROMPT PAYMENT**

The Parades Commission is committed to the prompt payment of bills for goods and services received in accordance with the code of practice launched by the Department for Business, Innovation and Skills in December 2008 to help increase the speed of payments between customers and their suppliers. During the financial year ended 31 March 2011 the Parades Commission achieved 98% of payments to suppliers within 10 working days.

### **EVENTS AFTER THE REPORTING DATE**

The Commission conducted a series of seven public meetings across Northern Ireland in June 2011 to facilitate an exchange of views on parading issues and to help inform the Commission on possible changes in the way it goes about its work. Among the local stakeholders who attended the meetings were politicians from across all main parties, residents groups, representatives from parading organisations, including all of the Loyal Orders, and vintage car enthusiasts. Ronnie Pedlow left the Commission on 23 September 2011 and was replaced by Michael Boyle as interim Accounting Officer. Anthony Carleton joined the Commission as Accounting Officer on 13 December 2011.

### **FUTURE DEVELOPMENTS**

Later in 2011-12 the Commission will be consulting with the public on improvements which could be made to the work of the Commission. This will include a number of workshops with participants involved in community relations, parading and conflict resolution. Thereafter the Chair will write to the Secretary of State to make recommendations on possible improvements to the way in which the Commission does its business.

### **GOING CONCERN**

The statement of financial position as at 31 March 2011 shows net liabilities of £70,849 (2009 -10: £33,002). This reflects the inclusion of liabilities falling due in future years, which may only be met by future deficit funding from the Commission's sponsoring Department, the Northern Ireland Office. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such funding may not be issued in advance of need.

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

# Remuneration Report

## REMUNERATION POLICY

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

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

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

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

The remuneration of all senior civil servants is entirely performance based.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com)

## SERVICE CONTRACTS

Civil Service appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. 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](http://www.nicscommissioners.org)

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

## COMMISSIONERS' NUMBERS AND COSTS

The total emoluments of the Commissioners (including the Chairperson) during the year ended 31 March 2011 amounted to £257,583 (2010: £194,493) and the expenses incurred by the Commission were £44,006 (2010: £125,447). The total remuneration of the Chairperson during the same period was £57,216, (2009 -10: £54,364). There were two Chairpersons during the year. The Chairperson was the highest paid Board Member. Both the Chairperson and Commissioners are non-Northern Ireland Civil Service, therefore they are not pensionable. The salary entitlement of the Chairman and Commissioners for 2010-11 was as follows:

## AUDITED

The following members ceased membership of the Commission on 31/12/10.

Commission Member	Salary Range £k	
	2010-11	2009-10
Mrs Rena Shepherd (Chairperson up to 31/12/10)	40-45 (FYE 50 – 55)	35-40 (FYE 50-55)
Mrs Vilma Patterson	25-30 (FYE 20 – 25)	15-20
Dr Joe Hendron	10-15 (FYE 20 – 25)	15-20
Mrs Alison Scott-McKinley	15-20 (FYE 20 – 25)	15-20
Mrs Kelly Andrews	15-20 (FYE 20 – 25)	15-20
Mr Michael Doherty (from 01/04/10)	15-20 (FYE 20 – 25)	15-20
Mr Edwin Graham	10-15 (FYE 20 – 25)	10-15 (FYE 20-25)

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

**AUDITED**

Commission Member	Salary Range £k	
	2010-11	2009-10
Mr Peter Osborne (Chairperson from 01/01/11)	10-15	Nil
Mr Douglas Bain	5-10	Nil
Mrs Delia Close	5-10	Nil
Rev Brian Kennaway	5-10	Nil
Dr Catriona King	5-10	Nil
Mrs Frances Nolan	5-10	Nil
Mr Robin Percival	0-5	Nil

\*The Chair and members are paid on a per diem basis at the rates of £500 and £250 respectively. The amount of time that Commissioners are expected to devote to Commission business

over the course of a year is an average of approximately two days per week with a proportionately greater commitment required during the summer months.

**AUDITED**

	Salary Range	
	2010-11 £k	2009-10 £k
Ronnie Pedlow, Secretary	55-60	55-60
Michael Boyle, Deputy Secretary	50-55	45-50

There were no bonuses paid in 2010-11 (2009-10: Nil).

	Real increase in pension at pension age and lump sum	Total accrued pension at pension age at 31/03/11 and related lump sum	Cash Equivalent Transfer Value at 31/03/10	Cash Equivalent Transfer Value at 31/03/11	Real increase in Cash Equivalent Transfer Value
	£k	£k	£k	£k	£k
Ronnie Pedlow	(0-2.5) plus lump sum of (0-2.5)	20-25 plus lump sum of 70-75	477@	517	(1)#
Michael Boyle	0-2.5 plus lump sum of 2.5-5	10-15 plus lump sum of 40-45	220	261	21

@ The actuarial factors used to calculate CETVs were changed in 2010/11. The CETVs at 31/03/10 and 31/03/11 have both been calculated using the new factors for consistency. The CETV at 31/03/10, therefore, differs from the

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

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

## **SALARY**

This report is based on accrued payments made by the Commission and thus recored in these accounts. "Salary" includes gross salary; overtime; reserved rights to London Weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that it is subject to UK taxation. Gross salaries for the most senior managers of the Department were determined by reference to the senior civil service pay award for 2010-11.

## **PENSION**

Pension benefits are provided 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 Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 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% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

### **Cash Equivalent Transfer Values**

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

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



CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

**Real increase in CETV**

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

**COMMISSIONERS' BENEFITS IN KIND**

	2010-11
Vilma Patterson	£300
Alison Scott-McKinley	£700
Kelly Andrews	£200
Edwin Graham	£800

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. The benefits in kind disclosed for the Commissioners who ceased membership of the Commission on 31 December 2010 relate to home to office travel expenses incurred in 2010-11. The tax liability relating to this benefit will be met by the Commission. In addition, during the year an amount of £5,597 was paid to HM Revenue and Customs to meet the tax liability relating to home to travel expenses of £12,089 paid to Commissioners in post between 1 April 2006 and 31 March 2010.

**A CARLETON**

Secretary

7th June 2012

# Statement of Accounting Officer's Responsibilities



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

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

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

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

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

# Statement On Internal Control

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## SCOPE OF RESPONSIBILITY

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

## THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure, to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Parades Commission for Northern Ireland for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## CAPACITY TO HANDLE RISK

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

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

## THE RISK AND CONTROL FRAMEWORK

The Parades Commission for Northern Ireland has relied upon the services provided by ASM Internal Audit Unit which operates to standards defined in the Government Internal Audit Manual. The work

of the Internal Auditor is informed by an analysis of the risk to which the Commission is exposed, and annual internal audit plans are based on this analysis. A comprehensive risk register has been completed and is subject to ongoing review and monitoring by the Commission. The Commission operates a "traffic light" corporate risk register in line with Government guidance. The register is kept under constant review, with a formal quarterly review by the Commission, and updated by senior management as necessary. Risks are identified, assessed in terms of likelihood of occurrence and impact and degree of risk. Senior management consider signs of risks changing, examine existing risk control tools and, if necessary, take remedial action.

## REVIEW OF EFFECTIVENESS

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised of the implications of my review of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Throughout the year ASM acted as internal auditors to the Parades Commission, having been appointed on a three-year term with effect from 1 April 2008. The audit fieldwork was undertaken in week commencing 25 October 2010 on the following three areas of work identified and agreed in advance with the Audit Committee as part of the Strategic Internal Audit Plan: management of parades and parading issues; mediation and conciliation; and personnel, payroll, travel & subsistence and hospitality. There was also a follow-up review of recommendations from the 2009 -10 internal audit report.

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

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

The controls in place within the mediation and conciliation systems were found to be basically sound, resulting in a satisfactory assurance rating. Three recommendations were made in relation to the internal control system for mediation and conciliation, particularly in relation to the requirement for Authorised Officers (AOs) to submit a full breakdown of hours worked and the requirement for the Commission to clarify the taxation status of its AOs.

The existing controls within payroll, travel & subsistence and hospitality were also found to be adequate resulting in a satisfactory assurance rating.

There were nine recommendations in relation to a number of improvements which could be incorporated within the Commission's internal control, governance and risk management system, particularly in relation to the need to clarify roles and responsibilities in respect of processing payroll, travel and subsistence and personnel management following the transfer of the payroll function to HR Connect.

#### Significant Internal Control Issues

For the period of 2010-11, I am able to report that there were no significant weaknesses in the Commission's system of internal controls which affected the achievement of the Commission's key policies, aims, and objectives.

#### **A CARLETON**

Secretary

7th June 2012



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

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I certify that I have audited the financial statements of the Parades Commission for the year ended 31 March 2011 under the Public Processions (Northern Ireland) Act 1998. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **RESPECTIVE RESPONSIBILITIES OF THE COMMISSION, ACCOUNTING OFFICER AND AUDITOR**

As explained more fully in the Statement of Accounting Officer's Responsibilities the Commission and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Public Processions (Northern Ireland) Act 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require 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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Parades Commission; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I will consider the implications for my certificate.

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



### **OPINION ON REGULARITY**

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

### **OPINION ON FINANCIAL STATEMENTS**

In my opinion:

- the financial statements give a true and fair view of the state of Parades Commission's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the 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 issued under the Public Processions (Northern Ireland) Act 1998; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH I REPORT BY EXCEPTION**

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

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

### **REPORT**

I have no observations to make on these financial statements.

**AMYAS C E MORSE**

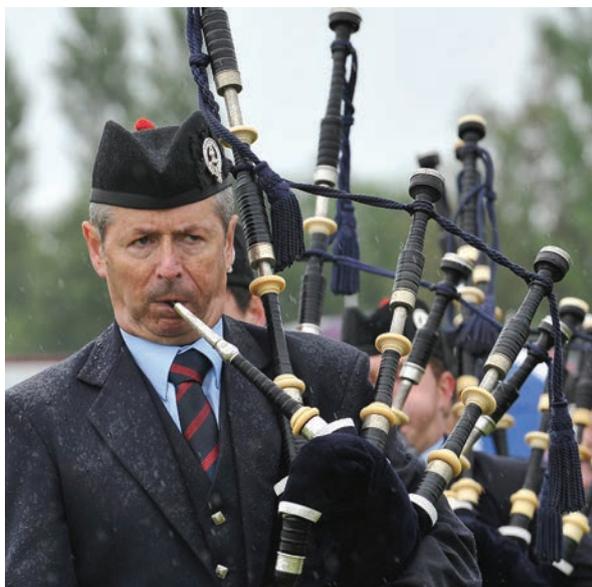
**COMPTROLLER AND AUDITOR GENERAL**

**NATIONAL AUDIT OFFICE**

**157-197 BUCKINGHAM PALACE ROAD**

**LONDON SW1W 9SP**

15th June 2012





# Financial Statements

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## STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2010-11 £	2009-10 £ Restated
<b>Expenditure</b>			
Staff costs	2	664,331	642,569
Other Expenditure	4	291,406	372,476
Permanent Diminution	6	-	13
Depreciation & Amortisation	4,6,7	8,221	16,699
Loss on disposal of Non-Current Assets	4	303	-
Notional Charges	4	57,372	6,984
		<b>1,021,633</b>	<b>1,038,741</b>
<b>Net Expenditure</b>		(1,021,633)	(1,038,741)
Interest (Payable) / Receivable		-	(70)
<b>Net Expenditure after Interest</b>		<b>(1,021,633)</b>	<b>(1,038,811)</b>

## OTHER COMPREHENSIVE EXPENDITURE

	Notes	2010-11 £	2009-10 £
Net gain/(loss) on the revaluation of Property, plant and equipment	4,6	(903)	5,528
Net gain/(loss) on the revaluation of Intangible Assets	4,7	-	321
<b>Total Comprehensive Expenditure for the year ended 31 March 2011</b>		<b>(1,022,536)</b>	<b>(1,032,962)</b>

The above expenditure is derived from continuing operations.

The notes on pages 25-34 form part of these accounts.

# Financial Statements

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## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Notes	2011 £	2010 £
<b>Non-current assets:</b>			
Property, plant and equipment	6	23,082	21,375
Intangible assets	7	4,277	-
<b>Total non-current assets</b>		27,359	21,375
<b>Current assets:</b>			
Trade and other receivables	9	15,860	12,566
Cash and cash equivalents	10	100	95
<b>Total current assets</b>		15,960	12,661
<b>Total assets</b>		43,319	34,036
<b>Current liabilities:</b>			
Trade and other payables	11	(114,168)	(67,038)
<b>Total current liabilities</b>		(114,168)	(67,038)
<b>Total assets less net current liabilities</b>		(70,849)	(33,002)
<b>Non-current liabilities</b>			
Other Payables	11	-	-
<b>Assets less liabilities</b>		<b>(70,849)</b>	<b>(33,002)</b>
<b>Taxpayers' equity</b>			
Revaluation Reserve		5,253	6,156
I&E Reserve		(76,102)	(39,158)
		<b>(70,849)</b>	<b>(33,002)</b>

The financial statements on pages 21-24 were approved by the Commission and were signed on its behalf by:

A Carleton

Accounting Officer

7th June 2012

The notes on pages 25-34 form part of these accounts.

# Financial Statements

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

	Notes	2010-11 £	2009-10 £ Restated
<b>Cash flows from operating activities</b>			
Net Deficit after interest		(1,021,633)	(1,038,811)
Adjust for notional charges	4	57,372	6,984
Adjust for Loss on disposal of Non Current Assets (Increase) / decrease in trade and other receivables	4 9	4 303	-
		(3,294)	459
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		-	-
Increase / (decrease) in trade payables	11	47,130	(20,045)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		(15,411)	-
		-	-
Depreciation & Amortisation	4,6,7	8,221	16,699
Permanent Diminution	4	-	13
		<u>(927,312)</u>	<u>(1,034,701)</u>
<b>Net cash outflow from operating activities</b>			
<b>Cash flows from investing activities</b>			
<b>Purchase of property, plant and equipment</b>		-	(5,894)
		<u>-</u>	<u>(5,894)</u>
<b>Net cash outflow from investment activities</b>			
<b>Cash flows from financing activities</b>			
Funding from parent Department		927,317	1,040,600
		<u>927,317</u>	<u>1,040,600</u>
<b>Net cash inflow from financing activities</b>			
<b>Net increase in cash and cash equivalents in the period</b>			
	10	<u>5</u>	<u>5</u>
<b>Cash and cash equivalents at the beginning of the period</b>			
	10	<u>95</u>	<u>90</u>
<b>Cash and cash equivalents at the end of the period</b>			
	10	<u>100</u>	<u>95</u>

The notes on pages 25-34 form part of these accounts.

# Financial Statements

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Notes	I&E Reserve £ Restated	Revaluation Reserve £	Total Reserves £ Restated
Balance at 31 March 2009		(47,931)	307	(47,624)
<b>Changes in taxpayers' equity for 2009 -10</b>				
Net gain/(loss) on revaluation of property, plant and equipment		-	5,528	5,528
Net gain/(loss) on revaluation of intangible assets		-	321	321
Comprehensive Expenditure for the year		(1,038,811)	-	(1,038,811)
Other non-cash charges		6,984	-	6,984
<b>Total recognised income and expense for 2009 -10</b>		<b>(1,031,827)</b>	<b>5,849</b>	<b>(1,025,978)</b>
Funding from parent Department		1,040,600	-	1,040,600
<b>Balance at 31 March 2010</b>		<b>(39,158)</b>	<b>6,156</b>	<b>(33,002)</b>
<b>Changes in Taxpayers' equity for 2010-11</b>				
Net loss on revaluation of property, plant and equipment		-	(903)	(903)
Net loss on revaluation of intangible assets		-	-	-
Comprehensive Expenditure for the year		(1,021,633)	-	(1,021,633)
Notional charges	4	57,372	-	57,372
<b>Total recognised income and expense for 2010-11</b>		<b>(964,261)</b>	<b>(903)</b>	<b>(965,164)</b>
Funding from parent Department		927,317	-	927,317
<b>Balance at 31 March 2011</b>		<b>(76,102)</b>	<b>5,253</b>	<b>(70,849)</b>

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

The notes on pages 25-34 form part of these accounts.

# Financial Statements

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## NOTES TO THE PARADES COMMISSION'S ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### 1 Statement of accounting policies

The Financial statements have been prepared in accordance with the 2010-11 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 2011 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

#### 1.1 Accounting convention

The 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 Income

The Parades Commission is funded directly from expenditure voted by Parliament to the Northern Ireland Office. As the Parades Commission for Northern Ireland does not receive grant-in-aid, income is not shown on the face of the income and expenditure account. All accounting transactions are processed through the NIO and are included in the NIO Resource Accounts.

#### 1.4 Property, plant and equipment and depreciation

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

# Financial Statements

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

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

Computer hardware	5 years
Computer servers	5 years
Computer software	5 years
Furniture & equipment	15 years
Leasehold Improvements	Lease Term

## 1.5 Intangible Assets

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

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

## 1.6 Operating Leases

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

## 1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (NI) (PCSPS (NI)) which are described in Note 2. 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 (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS (NI). In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

## 1.8 Value Added Tax

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

## 1.9 Capital charge

In line with Treasury advice the Parades Commission is no longer required to calculate a cost of capital charge and include this as a notional cost in its accounts. The prior-year cost of capital charge has also been removed from the accounts as a prior period adjustment.

# Financial Statements

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The impact of this change on the comparative figures for 2009 -10 has been as follows:

	2009-10 <b>Reported</b>	2009-10 <b>Restated</b>	2009-10 <b>Change</b>
	£	£	£
Notional Charges	5,573	6,984	1,411

2009 -10 comparative notional charges are restated in the Statement of Comprehensive Net Expenditure, the Statement of Cash Flows and in the Statement of Changes in Taxpayers' Equity.

## 1.10 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.

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

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

## 1.12 Related Party Disclosures - Revised definition of related parties

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.

Standard	Description of revision	Application Date	Comments
IAS 24	Related Party Disclosures	Annual periods beginning on or after 1 January 2011	Inclusion of a partial exemption for Government-related entities. Given that 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.
IFRS 9	Financial Instruments as amended in 2010	Annual periods beginning on or after 1 January 2013	New requirements for classification and measurement of financial assets and financial liabilities and for de-recognition; Unlikely to lead to change due to low risk nature of commission assets and liabilities.

## 1.13 Segmental Reporting

All the activities carried out by the Parades Commission relate to a single business segment.

# Financial Statements

## 2. STAFF NUMBERS AND RELATED COSTS

### STAFF COSTS COMPRISE:

	2010-11 Total	Permanently employed staff	Others	2009 -10 Total
	£k	£k	£k	£k
Wages & Salaries	577,280	562,539	14,741	565,865
Social security costs	24,115	24,115	-	22,848
Other pension costs	62,936	62,936	-	53,856
<b>Sub Total</b>	<b>664,331</b>	<b>649,590</b>	<b>14,741</b>	<b>642,569</b>
Less recoveries in respect of outward secondments	-	-	-	-
<b>Total net costs</b>	<b>664,331</b>	<b>649,590</b>	<b>14,741</b>	<b>642,569</b>

The PCSPS (NI) is an unfunded multi-employer defined benefit scheme but the Parades Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007.

For 2010-11, employer's contributions of £62,936 (2009 -10: £53,856) were payable to the PCSPS (NI) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when a member retires, and not the benefits paid during this period to existing pensioners. The remuneration report on pages 11-14 contains detailed pension information.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employer's contributions are paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of 0.8 per cent of pensionable pay are payable to the PCSPS (NI) to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. No employees of the Commission have opted for a pension partnership account during 2010-11.

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

	2010-11 Total	Permanently employed staff	Others	2009 -10 Total
Directly employed	10	10	-	10
Other	8	-	8	8
<b>Total</b>	<b>18</b>	<b>10</b>	<b>8</b>	<b>18</b>

# Financial Statements

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

There were no redundancy or departure costs paid or payable by the Parades Commission in 2010-11 in respect of Civil Service or other compensation schemes. (2009-10: Nil)

## 4. OTHER EXPENDITURE

	2010-11	2009-10
	£	Restated £
Rent and Rates	120,510	159,091
Professional advisors' service	38,626	54,585
Accommodation costs	32,644	18,841
Advertising & Publications	20,261	16,745
Telecommunications	16,376	16,729
Auditor's remuneration	12,750	15,750
Other Expenditure	11,966	26,446
Courier Service	11,388	12,827
Computer Maintenance	10,338	10,338
Travel, subsistence & hospitality	8,311	25,602
Training	4,996	6,635
Consultants' fees	2,240	6,956
Mediation	1,000	1,931
	<b>291,406</b>	<b>372,476</b>
<b>Non-Cash Items:</b>		
Notional charges	57,372	6,984
Depreciation	8,221	16,699
Loss on disposal of non-current assets	303	-
Revaluation	903	(5,849)
Permanent diminution	-	13
	<b>66,799</b>	<b>17,847</b>
<b>Total</b>	<b>358,205</b>	<b>390,323</b>

## 5. INCOME

There was no income received in 2010-11 (2009-10 nil).

# Financial Statements

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## 6. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Information Technology £	Furniture & Fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2010	19,790	34,089	21,609	75,488
Additions	-	11,134	-	11,134
Disposals	-	(18,111)	-	(18,111)
Revaluations	-	(1,345)	109	(1,236)
At 31 March 2011	19,790	25,767	21,718	67,275
<b>Depreciation</b>				
At 1 April 2010	14,843	24,129	15,141	54,113
Charged in year	4,947	2,663	611	8,221
Disposals	-	(17,808)	-	(17,808)
Revaluations	-	(364)	31	(333)
At 31 March 2011	19,790	8,620	15,783	44,193
Net book value at 31 March 2011	-	17,147	5,935	23,082
Net book value at 31 March 2010	4,947	9,960	6,468	21,375
<b>Asset financing:</b>				
Owned	-	17,147	5,935	23,082
Net book value at 31 March 2011	-	17,147	5,935	23,082

# Financial Statements

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

# Financial Statements

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## 7. INTANGIBLE ASSETS

	Software licenses £	Total £
<b>Cost or valuation</b>		
At 1 April 2010	7,876	7,876
Additions	4,277	4,277
At 31 March 2011	12,153	12,153
<b>Amortisation</b>		
At 1 April 2010	7,876	7,876
Charged in year	-	-
At 31 March 2011	7,876	7,876
Net book value at 31 March 2011	4,277	4,277
Net book value at 31 March 2010	-	-
<b>Asset financing:</b>		
Owned	4,277	4,277
Net book value at 31 March 2011	4,277	4,277

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

# Financial Statements

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## 8. FINANCIAL INSTRUMENTS

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

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

## 9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2010-11 £	2009-10 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	15,860*	12,566
	<hr/> 15,860	<hr/> 12,566

£8,305 was prepaid to other Government organisations.\*

## 10. CASH AND CASH EQUIVALENTS

	2010-11 £	2009-10 £
<b>Balance at 1 April</b>	<b>95</b>	<b>90</b>
Net change in cash and cash equivalent balances	5	5
<b>Balance at 31 March</b>	<hr/> <b>100</b>	<hr/> <b>95</b>
<b>The following balances at 31 March were held at:</b>		
<b>Commercial banks and cash in hand</b>	100	95
<b>Balance at 31 March</b>	<hr/> <b>100</b>	<hr/> <b>95</b>

## 11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2010-11 £	2009-10 £
<b>Amounts falling due within one year:</b>		
Trade payables	29,121	4,787
Accruals and deferred income	85,047	62,251
	<hr/> 114,168	<hr/> 67,038

# Financial Statements

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## 12. COMMITMENTS UNDER LEASES

### 12.1 Operating leases

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

	2010-11	2009-10
	£	£
<b>Buildings</b>		
Not later than one year	60,489	60,489
Later than one year and not later than five years	-	60,489
Later than five years	-	-
	<hr/> 60,489	<hr/> 120,978

### 12.2 Finance leases

The Parades Commission has no obligations under finance leases.

## 13. CAPITAL COMMITMENTS

The Parades Commission does not have any capital commitments.

## 14. CONTINGENT LIABILITIES DISCLOSED UNDER IAS 37

The Parades Commission has a contingent liability in respect of employer's national insurance contributions on payments made to Authorised Officers from 2003 to 2010. This liability arises from work carried out in their role as Authorised Officers, but the Parades Commission considers it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

## 15. RELATED-PARTY TRANSACTIONS

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

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

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

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

## 16. EVENTS AFTER THE REPORTING DATE

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

# The Commissioners

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1 April – 31 December 2010

**Mrs Rena Shepherd (Chair)**

**Mrs Kelly Andrews**

**Mr Michael Doherty**

**Mr Edwin Graham**

**Dr Joe Hendron**

**Mrs Vilma Patterson**

**Mrs Alison Scott-McKinley**



# The Commissioners

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1 January - 31 March 2011



**MR PETER OSBORNE**

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



**MR DOUGLAS BAIN**

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



**MRS DELIA CLOSE**

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

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

Delia is married with two grown-up children.



**REV. BRIAN KENNAWAY**

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

# The Commissioners

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## DR. CATRIONA KING

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

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



## MRS FRANCES NOLAN

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



## MR ROBIN PERCIVAL

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



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