



NORTHERN
IRELAND
HUMAN
RIGHTS
COMMISSION

**Annual Report and Accounts
2022-23**

Presented to Parliament pursuant to paragraph 5(2) and paragraph 7(3)(b) of
Schedule 7 to the Northern Ireland Act 1998.

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4 July 2023

Rt Hon Chris Heaton-Harris MP
Secretary of State for Northern Ireland
Erskine House
20-32 Chichester Street
Belfast
BT1 4GF

Dear Secretary of State

I have pleasure in submitting to you, as required by paragraph 5(1) of Schedule 7 of the Northern Ireland Act 1998, the twenty third Annual Report of the Northern Ireland Human Rights Commission. It shows how the Commission has performed its functions during the year 1 April 2022 to 31 March 2023.

The Annual Report and Accounts includes the Commission's financial statements for the year ending 31 March 2023, which have been prepared in accordance with Paragraph 7 of Schedule 7 of the Northern Ireland Act 1998, and which were certified by the Comptroller and Auditor General on 3 July 2023.

Yours sincerely

Alyson Kilpatrick
Chief Commissioner

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It is available for download at www.nihrc.org

Performance Report Overview

Chief Commissioner's Foreword

This is the annual report and accounts for 1 April 2022 to 31 March 2023. The Commission has continued to do its work, as required by statutory functions prescribed by the Northern Ireland Act (NI) 1998. The Commission's statutory duties have grown since its foundation, as has the complexity of the issues it faces. Unfortunately, resources have not grown commensurately. Instead, resources have diminished in real terms even further. As we have previously reported, this left the Commission unable to discharge its duties as planned.

There have been a number of significant achievements this year including in the courts, by use of investigatory powers and through community engagement. We have also responded to a number of threats to human rights. For example, proposed legislation on legacy investigations and the so-called UK bill of rights bill (both of which undermine the universality of human rights).

That has been achieved despite the reduction in our budget but without the resources, time and focus that I had hoped for. We had to reconsider the Commission's strategic plan and business plan in response to the increasing pressures, limiting our objectives and aspirations. That must not be allowed to continue for another year – not if we are to do the job we were set up to do.

In my first full year as Chief Commissioner, I was disappointed by the ongoing delay experienced in resolving our precarious resourcing situation. The issue remains one which will weaken the Commission's ability to serve the people of Northern Ireland as they deserve to expect. It will also mean that we are unable to fulfil some functions at all. For example, we will have no capacity to support a meaningful programme of education activities to promote human rights which is a core statutory function. Moreover, this situation continues to threaten our standing at an international level. There is a significant risk that in the next Annual Report and Accounts, we will be detailing how the Commission was downgraded by the United Nations. This would make Northern Ireland the only part of these islands without an A status recognised National Human Rights Institution, removing our speaking rights before the international treaty bodies.

This prospect of losing our A status is more than a technical concern or of reputation, although it is both of those. It will undermine the Commission's ability to represent the people of Northern Ireland by holding the State to account. Unless and until I can report that a long-term commitment to our future funding has been made, I regret that I will

not be able to guarantee that the Commission will function as well as the people of Northern Ireland deserve. Continued support for the Commission, including necessarily its practical independence, was the firm commitment of the Belfast (Good Friday) Agreement. That commitment has been repeated ever since, but adherence to the spirit of the commitment has at times felt weak.

In this year, we were delighted to welcome Justin Kouame as our new Commissioner. We also started work with a new Secretary of State the Right Honourable Chris Heaton-Harris MP. An important function of the Commission is to keep under review law and practice and to advise, whether asked to or not. We are pleased to note that Mr Heaton-Harris and his officials have engaged with us this year and welcomed our input on a number of matters. While we will steadfastly continue to hold the State to account, we appreciate this professional approach.

We remain hopeful that the fundamental question of resources and its impact on our capacity to operate will be addressed. This has been considered in an independent review, which was completed and submitted in December 2022, The review report is yet to be published. We are hopeful that the Secretary of State will publish that report and implement the recommendations swiftly.

Alyson Kilpatrick
Chief Commissioner

Statement of Purpose and Activities of the Organisation

Introduction

I am pleased to report on the work of the Northern Ireland Human Rights Commission in 2022-23.

The Commission was established by the Belfast (Good Friday) Agreement. Our governing legislation is the Northern Ireland Act 1998, as amended by the Justice and Security (Northern Ireland) Act 2007 and the European Union (Withdrawal Agreement) Act 2020.

The Commission is a National Human Rights Institution with A status accreditation from the United Nations. This recognition affords special access to the United Nations Human Rights Council and treaty bodies. It means that the organisation operates independently in full accordance with the United Nations General Assembly Resolution 48/134 (the Paris Principles). Further information is available at: www.ohchr.org/english/law/parisprinciples.

The Commission is also a non-departmental public body, and receives grant-in-aid from the United Kingdom government through the Northern Ireland Office. It reports to Parliament through the Secretary of State for Northern Ireland.

Organisational Structure



What we do

The Commission's primary role is to make sure government and public authorities protect, respect and fulfil the human rights of everyone in Northern Ireland. We also help people understand what their human rights are and what they can do if their rights are violated or abused. To pursue this objective, we consider the full range of civil, political, social, economic and cultural rights. Our work is based on the international human rights treaties ratified by the United Kingdom government, domestic legislation and relevant soft law standards.

The statutory functions of the Commission in accordance with the Northern Ireland Act 1998 are:

1. keeping under review the adequacy and effectiveness in Northern Ireland of law and practice relating to the protection of human rights.
2. advising the Secretary of State and the Northern Ireland Executive of legislative and other measures which ought to be taken to protect human rights—as soon as reasonably practicable after receipt of a general or specific request for advice; and on such other occasions as the Commission thinks appropriate.
3. advising the Northern Ireland Assembly whether legislative Bills are compatible with human rights
4. providing advice to the UK government and Westminster Parliament on matters affecting human rights in NI.
5. conducting investigations on systemic human rights issues. To do so, we may enter places of detention, and can compel individuals and agencies to give oral testimony or to produce documents.
6. promoting understanding and awareness of the importance of human rights in Northern Ireland. To do so, we may undertake or support research and educational activities.
7. providing legal assistance to individuals and initiating strategic cases, including own motion legal challenges.
8. monitoring the implementation of international human rights treaties and reporting to the United Nations and Council of Europe.
9. working in partnership with the Irish Human Rights and Equality Commission as mandated through the joint committee created in accordance with the Belfast (Good Friday) Agreement.

The Commission is mandated in accordance with Article 2(1) of the Protocol on Ireland/Northern Ireland of the European Union Withdrawal

Agreement to ensure there is no diminution of rights protected in the 'Rights, Safeguards and Equality of Opportunity' chapter of the Belfast (Good Friday) Agreement as a result of United Kingdom's withdrawal from the European Union. It is also mandated to ensure that, if certain European Union equality laws are changed after 1 January 2021 to improve the protection of human rights, then Northern Ireland will keep pace with those changes.

The Commission exercises this mandate alongside the Equality Commission for Northern Ireland, and through the Joint Committee of representatives of the Human Rights Commissions of Northern Ireland and Ireland.

The Commission's statutory functions for this purpose in accordance with the European Union (Withdrawal Agreement) Act 2020 are:

1. monitoring the implementation of Article 2(1) of the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement (rights of individuals).
2. reporting to the Secretary of State and the Executive Office in Northern Ireland on the implementation of Article 2(1)—as soon as reasonably practicable after receipt of a general or specific request for such a report, and on such other occasions as the Commission thinks.
3. advising the Secretary of State and the Executive Committee of the Assembly of legislative and other measures which ought to be taken to implement Article 2(1)—as soon as reasonably practicable after receipt of a general or specific request for advice, and on such other occasions as the Commission thinks appropriate.
4. advising the Assembly (or a committee of the Assembly) whether a Bill is compatible with Article 2(1)—as soon as reasonably practicable after receipt of a request for advice, and on such other occasions as the Commission thinks appropriate.
5. promoting understanding and awareness of the importance of Article 2(1); and for this purpose we may undertake, commission or provide financial or other assistance for—research, and educational activities.
6. bringing any appropriate matters of relevance to Article 2(1) to the attention of the Specialised Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland established by Article 165 of the Withdrawal Agreement.

7. taking judicial review proceedings in respect of an alleged breach (or potential future breach) of Article 2(1) of the Protocol on Ireland/Northern Ireland in the EU withdrawal agreement; or intervening in legal proceedings, whether for judicial review or otherwise, in so far as they relate to an alleged breach (or potential future breach) of Article 2(1).

The Commission is also designated, with the Equality Commission, under the United Nations Convention on the Rights of Disabled Persons as the independent mechanism tasked with promoting, protecting and monitoring implementation of the Convention in Northern Ireland. We also engage with other the National Human Rights Institutions in the United Kingdom on issues of common interest.

Our Annual Statement¹, published in December each year, records how much progress has been made towards meeting human rights obligations in Northern Ireland. This strongly informs our future work priorities.

The Commission's work is based on five objectives agreed in our Strategic Plan 2022-25. Each objective is one of substantive public interest, where we believe a real and lasting impact can be made to benefit the lives of people in Northern Ireland.

Objective 1: To keep under review law and practice and advise government for the benefit of everyone across Northern Ireland -

Throughout the business year the Commission continued its investigation into the provision of education on sexual and reproductive health in post primary schools in Northern Ireland in accordance with the Northern Ireland (Executive Formation etc) Act 2019 and the recommendations in the 2018 CEDAW inquiry report Paragraph 86 (d). The Commission concluded its analysis of all evidence provided during the investigation and prepared an initial draft report.

The Commission provided statutory advice to the NI Office and Westminster Parliament on a range of bills, including the Northern Ireland Troubles (Legacy and Reconciliation) Bill. The Commission provided clause by clause analysis of the Bill raising significant concerns as to the compliance of the Bill with the ECHR.

In addition, the Commission provided statutory advice to the Westminster Parliament on the Bill of Rights Bill, a Bill proposing to reform the UK human rights framework. In providing oral evidence to the NI Affairs Committee the Commission highlighted the important role played by the Human Rights Act 1998 in ensuring the rights contained within the ECHR are accessible in UK Courts.

¹ [Publication - Annual Statement 2022 | Northern Ireland Human Rights Commission \(nihrc.org\)](#)

The Commission also provided advice to NI Departments, including to the Department of Justice on measures to strengthen the response to Modern Slavery and Human Trafficking and on the use of audio and video links for NI Court and Tribunal Hearings.

The Commission continued to engage in the international human rights system, including through participation in the Universal Periodic Review. In a statement to the UN Human Rights Council the Commission raised concerns that the Bill of Rights Bill will weaken human rights protections and that the NI Troubles (Legacy and Reconciliation) Bill will unduly restrict victim's access to courts. In addition, the Commission submitted reports to the UN Committee on the Rights of the Child and the Committee on Economic Social and Cultural Rights.

In partnership with the Equality Commission for NI the Commission continued to deliver the mandate of the designated Independent Mechanism under Article 33 of the United Nations Convention on the Rights of Persons with Disabilities. This included facilitating and providing secretarial support to the Disability Forum.

The Commission facilitated the monitoring visit by the Advisory Committee on the Council of Europe Framework Convention for the Protection of National Minorities and submitted evidence to the Committee.

Throughout the business year the Commission managed a research project on the prevention of drug addiction and substance abuse with researchers from Queen's University Belfast regarding the prevention of drug addiction and substance abuse. The research report has been shared with the Department of Health.

The Commission continues to support individuals on a broad range of human rights matters, providing human rights information, advice and signposting to approximately 419 individuals this year. The Commission also exercised its legal powers, under the Northern Ireland Act 1998 in a number of ongoing legal cases.

The Commission has continued to support an individual challenge against the Department of Justice in respect of the compliance of the Rehabilitation of Offenders (NI) Order 1978 with the right to private and family life. Following an appeal by the Department of Justice, a hearing before the Court of Appeal is listed for April 2023.

The Commission also continued to support an individual challenge to the Ministry of Defence regarding the provision of a pension to an unmarried partner. This was heard by the Court of Appeal in February 2023. A further application for judicial review is anticipated later in 2024.

The challenge to the vires of the Secretary of State for NI on the Abortion Regulations 2021 was subject to appeal by the Society for the Protection

of the Unborn Child Pro Life Limited (SPUC). The Commission was granted leave to enter both written and oral submissions. These focused on both the Commission's previous litigation on reproductive healthcare and particularly on the application of Article 2 of the Windsor Framework. The Court of Appeal heard the appeal in January 2023 and judgment is awaited.

The Commission was also granted leave to intervene in a judicial review challenge supported by the Commissioner for Older People against the Department of Health on its policy on Continuing Healthcare. The Commission entered a written submission focusing on the application of the right to peaceful enjoyment of property, under Article 1 of Protocol 1 of the ECHR, and the interaction with the UNCRPD. This case was heard in October 2022 and the judgment is awaited.

Objective 2: To ensure that rights protection is not diminished as a result of the United Kingdom having left the European Union; and, where required, ensure that Northern Ireland keeps pace with changes in European Union equality laws –

In July 2022, NIHRC and ECNI jointly published their first annual report as the dedicated mechanism charged with oversight of Windsor Framework Article 2, setting out over 50 joint recommendations and a further 25 NIHRC recommendations² which were discussed at an event attended by around 50 stakeholder representatives.

Jointly with the Equality Commission for Northern Ireland (ECNI), the Commission published a Working Paper setting out the Commissions' view of the scope of the Article 2(1) commitment, including an appendix of the relevant EU legislation identified to date, alongside a table of related domestic law.³ This drew on in-house, and externally commissioned, legal research and analysis and followed engagement with key stakeholders.

Stakeholder engagement events were held to launch two research reports: analysis by Alison Harvey BL of the implications of Protocol Article 2 for the law on human trafficking, published in May 2022; and a report on the interaction between Article 2 and rights of access to healthcare by Professor Tamara Hervey published in June 2022.

The Commission highlighted Article 2 issues in relation to a number of Westminster Bills during the year, including the Retained EU Law Bill⁴, the Protocol Bill⁵, the Bill of Rights Bill⁶ and the NI Troubles (Legacy and

² [Annual Report of the NIHRC and ECNI on the implementation of Protocol Article 2 2021-2022](#) (NIHRC and ECNI, 2022)

³ NIHRC and ECNI '[Working Paper: the scope of Article 2\(1\) of the Ireland/Northern Ireland Protocol](#)' (NIHRC and ECNI, 2022) and NIHRC and ECNI '[Table of EU Directives which underpin the Rights, Safeguards and Equality of Opportunity provisions included in the Belfast \(Good Friday\) Agreement chapter of the same name and implementing Domestic Legislation](#)' (NIHRC and ECNI, 2022)

⁴ NIHRC and ECNI [Briefing on the Retained EU Law \(Revocation and Reform\) Bill](#) (NIHRC and ECNI, 2023)

⁵ [Joint NIHRC / ECNI Preliminary Briefing on the Northern Ireland Protocol Bill](#) (NIHRC and ECNI, 2022)

⁶ NIHRC Advice on the Bill of Rights Bill (NIHRC, 2022)

Reconciliation) Bill.⁷ The Commission's advice and recommendations were raised in letters from Westminster Committees, reflected in amendments and referenced in debates.⁸

In each of these submissions the Commission has highlighted the lack of consideration of Article 2 in legislative documents and Commission staff have engaged regularly with officials in the NIO, the Executive Office and other officials on related recommendations.

The Commission also responded to the European Commission Consultation on the Racial Equality Directive⁹ and highlighted Article 2 obligations within its treaty-monitoring work.¹⁰

NIHRC continued to work with ECNI and the Irish Human Rights and Equality Commission on aspects of Article 2 with an island of Ireland dimension. The three Chief Commissioners gave evidence to the Oireachtas Committee on the Implementation of the Good Friday Agreement in September and the boards of the three Commissions met in person in Dublin in November, launching their first joint annual report.

The three Commissions contracted expert research on "European Union Developments in Equality and Human Rights: the impact of Brexit on the divergence of rights and best practice on the island of Ireland" and sought feedback on draft recommendations at a stakeholder event in January.

The Commission continued to raise awareness and promote understanding of the UK Government's commitment under Article 2 of the Windsor Framework and of the remit and roles of the Commission. The Commission utilised digital platforms and proactive media statements to communicate this work.

In year our public statements included:

NIHRC and ECNI launch report on the implementation of Article 2 of the Ireland/Northern Ireland Protocol – 5 July 2022

⁷ [Advice on NI Troubles \(Legacy and Reconciliation\) Bill](#) (NIHRC, 2022)

⁸ For example: Letters from the Sub-Committee on the Protocol on Ireland/Ni to Secretary of State for Foreign, Commonwealth and Development Affairs on the NI Protocol Bill, [22 November 2022](#) and [12 January 2023](#); [Letter](#) from the Sub-Committee on the Protocol on Ireland/Ni to Secretary of State for Business and Trade on the Retained EU Law (Revocation and Reform) Bill, 9 February 2023; [Letter](#) from the Sub-Committee on the Protocol on Ireland/Ni to Parliamentary Under Secretary of State, NI Office on the NI Troubles (Legacy and Reconciliation) Bill, 1 December 2022; and Joint letter from the NI Affairs Committee, Women and Equalities Committee, Sub-Committee on the Protocol on Ireland/Ni and Joint Committee on Human Rights to the Secretary of State for NI, relating to Parliamentary scrutiny of Article 2 of the Protocol on Ireland/Ni, 23 June 2022.

⁹ [NIHRC Response to the European Commission Consultation on the Racial Equality Directive](#) (NIHRC, 2022)

¹⁰ See, for example, NIHRC Statement to the Committee on Economic, Social and Cultural Rights the 72nd Pre-Sessional Working Group on the Examination of the United Kingdom's Compliance with the United Nations International Covenant on Economic, Social and Cultural Rights (NIHRC, 2023) and NIHRC Submission to the UN Committee on ICESCR – Parallel Report for the List of Issues in Relation to the Seventh Periodic Report of the United Kingdom (NIHRC, 2022)

Human Rights and Equality Commissions advise Oireachtas on post-Brexit protections – 22 September 2022

Clarifying the Scope of Protocol Protections is key to ensuring Equality and Human Rights are upheld post Brexit – 1 December 2022

Three Commissions Launch Research and Policy Recommendations: The Impact of Brexit on the Divergence of Rights and Best Practice on the Island of Ireland – 27 April 2023

The Commission produced and managed an advertising and digital marketing campaign on the dedicated mechanism function. The target audiences included:

Advice-giving and community support organisations;
Signposting organisations within government and voluntary sector;
NGOs, such as NI equality and human rights groups, and relevant NI legal advice centres.

The digital campaign ran on Facebook and Instagram for four weeks (16th March – 16th April). The outdoor campaign ran over two two-week cycles from 27th Feb - 12th March and 13th - 26th March. A combination of bus shelters and billboards were spread across Northern Ireland. Locations included: Belfast (city centre and Greater Belfast area) Ballymena, Ballymoney, Coleraine, Derry/Londonderry, Magherafelt, Maghera, Cookstown, Omagh, Enniskillen, Lurgan, Newry, Banbridge, Lisburn, Bangor.

In year the Commission has also designed and produce educational videos for government officials and policy makers explaining the Dedicated Mechanism mandate and Scope Paper. These will be launched later in 2023.

The Commission, jointly with the Equality Commission for NI, were granted leave to intervene in a judicial review against the UK Home Office by an individual challenging a dispersal application. The Commissions entered both written and oral submissions to assist the NI High Court on the application of the test to apply under Article 2 of the Windsor Framework. Judgment is awaited in this matter.

Objective 3: To build a society in which human rights are better understood, protected and valued, making a positive impact upon the delivery of services -

The Commission continued to promote understanding and awareness of the importance of human rights in Northern Ireland through its communication, engagement and education functions.

A communications strategy was developed in year to support the Commission's strategic priorities 2022-25. The Commission engaged with the media proactively in year and promoted its work across its wide range of digital platforms.

Over 65 public statements were made during this period. These included:

No evidence for Human Rights Act Reform Chief Commissioner warns Westminster committee – 17 May 2022

NI Human Rights Commission responds to proposed legislation on dealing with the past – 23 May 2022

NI Human Rights Chief Commissioner responds to Abortion Services Statement – 2 December 2022

Commission welcomes Supreme Court judgment on Safe Access Zones Bill – 7 December 2022

Commission engages with Prince's Trust Young Ambassadors – 3 February 2023

Commission announces engagement with NI Youth Assembly on the International Day of Education – 24 January 2023

NIHRC teams up with Eco-Schools NI – 22 February 2023

Sporting organisations pledge support for human rights – 8 September 2022

Modern slavery, human trafficking and sustainable procurement discussed at Business and Human Rights Forum – 19 October 2022

New podcast series celebrates sport and human rights – 5 October 2022

The Commission directly engaged with the community through partnerships such as the Northern Ireland Business and Human Rights Forum and the Northern Ireland Sport and Human Rights Forum. We developed and delivered a programme of work for post primary schools based on the Commission's 2022-25 Strategic Priorities. In year partnership opportunities were developed with Eco Schools, NI Youth Assembly, Princes Trust and NI Universities and Education Providers.

Targeting the public sector, we reviewed and updated the Northern Ireland Civil Service online human rights guide was completed in partnership with the Executive Office.

We also sought to reach new and wider audiences in year, delivering an annual human rights lecture in association with the Lady Chief Justice of

Northern Ireland and the Bar of Northern Ireland. Baroness Brenda Hale provided the keynote address on 'Do We Need a British Bill of Rights?' which was widely added by the legal profession and human rights organisations across Northern Ireland.

In December 2022 we published and launched our Annual Statement on Human Rights in association with the Office of the Speaker of the Northern Ireland Assembly. The Commission was delighted to have Gary Lightbody from Snow Patrol and the Lightbody Foundation provide the keynote address. He usefully highlighted the interplay between poverty, mental health and human rights in Northern Ireland.

Objective 4: To work in partnership with other human rights and equality bodies to maximise human rights protection -

The Commission maintained membership of working groups within the European Network of National Human Rights Institutions and the Global Alliance of National Human Rights Institutions (GANHRI) including Artificial Intelligence, Business and Human Rights; Climate Change; Communications; the Legal working group; Rights of Older Persons; Economic, Social and Cultural Rights; and the United Nations Convention of the Rights of Persons with Disabilities.

As a member of the Commonwealth Forum of National Human Rights Institutions (CFNHRI) the Commission acted as designated lead to establish a permanent secretariat for the CFNHRI. We continue to work in partnership with Equality and Human Rights Commission (Great Britain) and the Rwanda National Commission for Human Rights to secure funding for a permanent secretariat for the Commonwealth Forum of National Human Rights Institutions. The Commission also continues to work alongside the Foreign, Commonwealth & Development Office (FCDO) to seek support for this work.

Objective 5: To be a learning organisation, improving our skills to achieve the greatest impact –

To advocate the Commission's effectiveness as a National Human Rights Institution, the Commission continues to seek support from the UK government to successfully complete the United Nations re-accreditation process to retain 'A' status compliance with the Paris Principles. Further detail on the re-accreditation process is detailed below.

The Commission maximises continuous professional development by encouraging and facilitating ongoing learning opportunities for each staff member and Commissioners. Due to the Commission's limited budget it was difficult to completely fulfil the training and development programme planned for 2022-23. However, the following trainings did take place:

- Diversity and Inclusion

- Mental Health First Aid
- CIPD and CPD training
- Microsoft Teams
- Social Media including podcasts and video editing
- Media Training
- Interview Training
- European Court of Human Rights Case Law training
- EU Legislative Procedure in Practice training

Key risks facing the Northern Ireland Human Rights Commission

The Global Alliance of National Human Rights Institutions (GANHRI) is mandated by the United Nations to evaluate the work of National Human Rights Institutions around the world and thereafter designate their status. GANHRI was due to complete its 5-year periodic review of the Commission in 2021 and highlighted a significant concern about the future financial footing of the organisation. This resulted in the unprecedented step of refusing to reaccredit the Commission with 'A' status recognition and instead deferring its decision.

The deferral was made because GANHRI did not believe the Commission would be able to continue to operate in full compliance with UN General Assembly Resolution 48/134 (known as 'the Paris Principles'). It referred expressly to inadequate funding from the United Kingdom government as the primary reason for its decision. It described the situation as "very serious and time sensitive" and "strongly recommended that an improved and sustainable position" be provided by the UK government before the end of the deferral period.

In response to the deferral the NIO initiated an independent review of the Commission.

The review focused on:

- Assessing sustainability and fitness for purpose;
- Addressing whether recommendations made by the sub-accreditation committee of the Global Alliance of National Human Rights Institutions could be met by NIHRC;
- Assessing capacity for delivering more effectively and efficiently, including identifying the potential for further efficiency savings if any;
- Ensuring organisational design is robust enough to meet any future challenges;
- Reviewing the current sponsorship model to consider whether there are more effective models that could provide greater flexibility in sharing services and other non-statutory functions with other organisations working in this sphere;
- Assessing the performance of NIHRC and/or assurance that processes are in place for making such assessments, for example examining relevant ways that the board of Commissioners does and may in the future monitor strategic outcomes and objectives;
- Reviewing control and governance arrangements to ensure that the NIHRC and the NIO are complying with recognised principles of good corporate governance.

The independent review completed its work in December 2022 and provided its report to the Secretary of State. The Commission has been working with the NIO to progress the recommendations, however, by the time GANHRI had reconsidered the Commission's reaccreditation in

February 2023, no formal response to the review had been provided and the report was still to be published. This remains the case.

The Commission has confirmed that it accepts the findings and recommendations of the review in full. Ahead of the February GANHRI meeting, the Secretary of State wrote to the Commission stating that he fully supported the Commission's request for a final deferral of the decision to allow the government the requisite time to take action in response to the recommendations of the independent review, and seek to address GANHRI's concerns. The correspondence was shared with GANHRI, the result of which was a further final deferral of the Commission's reaccreditation until October 2023.

It remains deeply concerning that the Commission's recognition may come to an end, not least because Ireland, Scotland, and England and Wales still have 'A' status. Northern Ireland will be the only part of these islands with no independent representation before the UN Human Rights Council or International Human Rights Treaty Bodies, which are responsible for holding the UK to account for its human rights record.

In March 2023 GANHRI's Sub-Committee on Accreditation (SCA) confirmed that, in accordance with Article 14.1 of the GANHRI Statute, the deferral decision shall be limited to a period of two years. As such, this is the last possible deferral of the review of the NIHRC and the SCA will reach a recommendation in relation to the re-accreditation of the NIHRC in the SCA's second session of 2023. The SCA deferred its decision of the re-accreditation based on the following grounds:

- Adequate funding
- Financial autonomy
- Diversity and pluralism
- Visiting places of deprivation of liberty

Sustainability Report

As the Commission's office space is less than 500m² and has a staff complement of less than 50 a full sustainability report has not been produced.

However, the Commission is continuing to take action to meet the Greening Government Commitments 2021 to 2025 policy by encouraging efficiency in the use of resources by operating a paperless office; recycling of dry office waste, printer cartridges, plastic bottles and cans; use of recycled paper; removing single use plastic from the office; and engagement with the Commission's Business and Human Rights Forum to promote sustainable and efficient products and services.

The Commission partnered with Eco-Schools NI, an environmental education programme for schools across Northern Ireland in February 2023. Through the partnership, it is hoped to raise awareness about the impact of climate change on human rights.

The Commission offers a limited number of workshops to post-primary schools that explore the interconnectedness between human rights and climate change, and the UN Sustainable Development Goals.

The Alfred Street office is located within Belfast City Centre close to public transport links, allowing staff to travel to and from the office in a sustainable manner.

The Commission has also, in order to reduce its carbon footprint, pursued a policy of the facilitation, where possible, of staff flexibility in start and finish times allowing staff to travel to and from work at non-peak traffic times.

The Commission continues to operate a hybrid model of office and home based working where service delivery permits. It is expected that this will further add to the achievement of the Greening Government Commitments 2021 to 2025.

Performance Analysis

The Commission reports on its performance to the United Nations through the periodic re-accreditation process, to the Northern Ireland Office as its sponsor branch as well as to Parliament through the Secretary of State for Northern Ireland.

We have continued to adopt a robust performance management system to ensure regularity, propriety and value for money. This year we operated with one Chief Commissioner, Alyson Kilpatrick, and six part time Commissioners. The complement of staff at year-end was 25, which included two temporary contracts along with one temporary agency post. Planned recruitment for an additional five posts remained suspended for a second year, one further post was also vacant throughout the year and two additional posts could not be backfilled on a temporary basis due to ongoing funding pressures. This had a significant impact on the Commission's capacity to deliver a range of planned activities across its statutory functions.

Despite an absence of funding, the Joint Committee of representatives from the Irish Human Rights and Equality Commission and the Northern Ireland Human Rights Commission did meet on one occasion in 2022-23. A considerable programme of work also continued to be delivered in partnership focusing on the impacts of the UK withdrawal from the EU.

For 2022-23 the Commission had a core budget of £1,605,391 and £859,000 for the Dedicated Mechanism. This was funded by grant-in-aid from Parliament through our sponsor branch, the Northern Ireland Office (NIO).

The opening Taxpayers' Equity on 1 April 2022 was £849,053. This decreased by £153,651 to £695,402 at the end of the financial year.

The Commission's net expenditure in 2022-23 was £2,476,245 (2021-22 £2,333,573). The increase mainly resulted from increased staff costs, legal casework, and expenditure on travel following Covid restrictions having been lifted.

The Commission had a net gain on revaluation of property for 2022-23 of £41,203 (2021-22 £29,403).

Grant-in-aid from the NIO was £246,496 less than in the prior year. This was due to a reduction in the core budget of £84,496, an increase of £21,000 in the dedicated mechanism budget, and the return of £183,000 to the NIO (for core and the dedicated mechanism) relating to the prior year.

A handwritten signature in blue ink, appearing to read 'Dr Russell', is positioned at the top left of the page.

**Dr David Russell
Accounting Officer**

Date: 3 July 2023

Accountability Report

Corporate Governance Report

Director's Report

Entity

The Commission is a non-departmental public body established as part of the Belfast (Good Friday) Agreement through the Northern Ireland Act 1998 and in accordance with the United Nations Paris Principles as a National Human Rights Institution.

The Commission's powers and duties are derived from sections 69 and 70 of the Northern Ireland Act 1998, sections 14 to 16 of the Justice and Security (Northern Ireland) Act 2007, and Schedule 3 of the European Union (Withdrawal Agreement) Act 2020.

The Commission is located at 4th Floor, 19-21 Alfred Street, Belfast, BT2 8ED and its sponsor branch is the Northern Ireland Office located at Erskine House, 20-32 Chichester Street, Belfast, BT1 4GF.

Commissioners and Management Team

The Commission is governed by its Commissioners. The following served as Commissioners during 2022-23:

- Alyson Kilpatrick
- Helen Henderson
- Jonathan Kearney
- Justin Kouame (from 1 September 2022)
- David A Lavery CB
- Eddie Rooney
- Stephen White OBE

The Commission's Director is its Chief Executive, Dr David Russell. As Accounting Officer, the Chief Executive is responsible for maintaining a sound system of internal control. The Governance Statement sets out how this responsibility has been discharged in 2022-23.

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

Audit and Risk Management Committee

The Commission's Audit and Risk Management Committee met two times during the year.

The Audit and Risk Management Committee 2022-23 comprised:

- Sean Donaghy, Independent Chairperson
- David A Lavery CB
- Eddie Rooney
- Stephen White OBE

The Chief Executive, Director (Finance, Personnel and Corporate Affairs), Director (Engagement and Communications), Director (Legal, Research and Investigations, and Advice to Government), Director (Human Rights after EU Withdrawal), Internal Auditor, External Auditor and a representative from the NIO attend Audit and Risk Management Committee meetings.

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

Risk management

The Commission is committed to ensuring a high standard of corporate governance. We have identified our risk appetite as well as defining strategy and determining resource allocation to ensure the delivery of the Commission objectives. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk. The Audit and Risk Management Committee oversee this work under an independent Chair.

All Commissioners have received training in the role and responsibilities of National Human Rights Institution Commissioners and as board members of non-Departmental public bodies as well as induction and follow up training on the work of the Commission. The Audit and Risk Management Committee reviews its effectiveness by assessing its operation and constitution against good practice guidelines issued by the National Audit Office. A member of the Audit and Risk Management Committee reports to the full Commission board following a committee meeting. The independent chairperson normally reports annually to the full Commission board, usually in August.

Overall responsibility for ensuring that risks are identified and an appropriate framework is in place to manage those risks down to an acceptable level rests with the Commission's Accounting Officer. Individual staff members can be nominated as 'risk owners' with responsibility delegated from the Accounting Officer. The risk register is reviewed monthly by the management team who are also responsible for reviewing the Business Continuity Plan.

The Commission's risk register is presented to each Audit and Risk Management Committee meeting for scrutiny and discussion. The Commission uses a bespoke software package for the recording of any risks, and identifies the likelihood of occurrence and the impact of the risk. Any controls that are put in place to mitigate the risk are recorded and, if necessary, any remedial action. Changes to the assessment and evaluation of risk are noted by the Audit and Risk Management Committee and the full Commission board.

There were no complaints to the Parliamentary Ombudsman in 2022-23 (2021-22: One).

Personal data related incidents

We are committed to safeguarding all retained personal data and follow the General Data Protection Regulation (GDPR) as it applies in the UK, tailored by the Data Protection Act 2018. A member of the senior management team has been appointed as the Data Protection Officer and a member of staff provides support in the role of the Data Protection Practitioner.

Risks in this area are recorded in the Commission's risk register and the Audit and Risk Management Committee receives regular reports on activities to minimise the likelihood of the occurrence of these and other risks.

There were no personal data related incidents during 2022-23 (2021-22: One). All staff completed the mandatory Civil Service Learning training on Security and Data Protection during the year.

Register of Interests

The Register of Interests and Related Party Declarations for the Chief Commissioner, Commissioners, Chief Executive and senior management can be found on the Commission's website at www.nihrc.org

Auditors

The financial statements are audited by the Comptroller and Auditor General. The audit fee for this year is £21,875 (2021-22: £17,500).

The Commission's internal audit is provided by ASM (Belfast).

Creditor payment, policy and performance

Monthly statistics submitted to the Northern Ireland Office highlight that the Commission has paid 98.8 per cent of all undisputed invoices within five working days against the Government target of paying 80 per cent of such invoices within this time period (2021-22: 99.8 per cent).

Days lost due to absence

The Commission encourages a culture where good attendance is expected and valued. However, we recognise that from time to time absences for medical reasons may be unavoidable. We aim to treat staff who are ill with sympathy and fairness and where possible provide them with support, which will enable them to recover their health and attend work regularly.

Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 4.98 days per employee in 2022-23 (2021-22: 1.3 days). The increase in the number of days sick per employee is due to long-term sick absence of two members of staff. The size of the Commission means that small changes in absence can appear to have a disproportionate impact on reporting statistics.



Dr David Russell
Accounting Officer

Date: 3 July 2023

Statement of Accounting Officer's Responsibilities

Under Section 7(2)(a) of Schedule 7 to the Northern Ireland Act 1998, the Secretary of State for Northern Ireland (with the consent of HM Treasury) has directed the Northern Ireland Human Rights Commission to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Northern Ireland Human Rights Commission's state of affairs at the year-end and of its income and expenditure, changes in Taxpayers' Equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the HM Treasury's *Financial Reporting Manual* and, in particular, to:

- confirm that the annual report and accounts as a whole are fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable;
- observe the Accounts Direction issued by the Secretary of State for Northern Ireland, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the HM Treasury's *Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements, and;
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Northern Ireland Office has designated the Chief Executive as Accounting Officer of the Northern Ireland Human Rights Commission. The Accounting Officer is responsible for ensuring that, as far as he is aware, there is no relevant audit information of which the entity's auditors are unaware. The Accounting Officer is required to take all steps to ensure he is aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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

Disclosure of audit information

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

As Accounting Officer, I confirm that the annual report as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Governance Statement

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Northern Ireland Human Rights Commission's policies, aims and objectives, as set by Commissioners, and approved by the Secretary of State for Northern Ireland, whilst safeguarding the public funds and the Commission's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*. Our focus is upon outcomes and robust governance procedures, which are designed to ensure that risk and opportunity are clearly identified and responded to. The Commission complies materially with the guidance provided in HM Treasury's corporate governance code for central government departments (April 2017).

Throughout 2022-23 the Commission effectively discharged its statutory functions and duties. In line with best practice, the operational procedures of the Commission and the quality of data used is kept under continuous review to ensure the Commission is content that it is provided with all requisite information to enable it to make informed decisions.

As a non-departmental public body (NDPB), sponsored by the Northern Ireland Office, responsible to Parliament through the Secretary of State for Northern Ireland the governance framework of the organisation includes a Financial Statement and Management Agreement, (Framework Document). The previous version was reviewed and finalised in February 2023. The Commissioners also operate in accordance with Standing Orders and guidance on corporate governance as well as agreed principles of public service in the Nolan Principles. The Chief Commissioner and Commissioners have corporate responsibility for promoting the efficient and effective use of staff and other resources by the Commission, demonstrating high standards of corporate governance at all times. This role includes ensuring that they receive and review regular financial information concerning the management of the Commission, are informed in a timely manner about any concerns about the activities of the

Commission, and provide assurance to the sponsoring Department that appropriate action has been taken on such concerns. The Commission maintains whistleblowing procedures consistent with the Public Interest Disclosures Act 1998 and standards of conduct for staff are in place.

Discussions on financial matters and risk are normally held with officials at the NIO, rather than directly with Ministers. The NIO has, in ongoing formal meetings confirmed the Commission’s fulfilment of assurances. The Chief Commissioner and Commissioners have access to the Secretary of State on request.

Governance Framework

As Accounting Officer, I function with the support of the Audit and Risk Management Committee and the Senior Management Team.

Commissioners’ Meetings

The Commission met 11 times during the reporting period (10 ordinary Commission meetings and 1 special Commission meeting).

The following served as Commissioners from 1 April 2022 - 31 March 2023

	Meetings attended
Alyson Kilpatrick	11/11
Helen Henderson	11/11
Jonathan Kearney	10/11
Justin Kouame (from 1 September 2022)	5/5
David Lavery CB	9/11
Eddie Rooney	11/11
Stephen White OBE	11/11

Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee met two times during the reporting period.

	Meetings attended
Sean Donaghy	2/2
David Lavery CB	2/2
Eddie Rooney	2/2
Stephen White OBE	2/2

The Audit and Risk Management Committee comprised an independent Chairperson, who had extensive financial management experience at a senior level in the public sector, and was appointed following an open recruitment competition, and up to three Commissioners with a range of experience in corporate governance. Both the Commission’s internal and

external auditors also attend Audit and Risk Management Committee meetings, as well as a representative of the Northern Ireland Office.

As outlined, a Commissioner from the Audit and Risk Management Committee provides an update on the meetings to the Commission meeting and the Committee reports annually to the Commission. Furthermore, the Chairperson has direct access to the Chief Executive and Chief Commissioner as appropriate.

The Audit and Risk Management Committee has scheduled a review of its effectiveness. This will be completed, by using the National Audit Office's Audit and Risk Assurance Committee Effectiveness Checklist, which condenses the good practice principles of *HM Treasury's Audit and Risk Assurance Committee Handbook*. The Committee noted that it was performing effectively against the core elements of the principles and concluded that on an ongoing basis the Committee should consider utilisation of external specialist resource where appropriate. Any corporate issues of concern were brought to the Commission Board for discussion and approval.

The Audit and Risk Management Committee report as required and at least annually to the full Commission board through the Independent Chair of the Committee. Audit and Risk Management Committee papers are available to all Commissioners. The Commission works through a monthly Commission meeting, though there is provision for additional meetings if required. It has no separate standing Committees other than that of Audit and Risk Management.

The Commission is also represented by Commissioners and staff on the joint Independent Monitoring Committee for the UN Convention on the Rights of People with Disabilities in Northern Ireland with the Equality Commission, and exercises statutory functions alongside the Equality Commission as the Dedicated Mechanism established under the EU Withdrawal Agreement.

During this year, the Commission Board has met eleven times (ten ordinary Commission meetings and one special Commission meeting). Members of the Committee provided updates on the Audit and Risk Management Committee throughout the year.

With a reliance on robust recruitment processes and performance appraisals, the Commission satisfies itself as to the quality of professional advice provided to it.

Commission's Performance

Throughout 2022-23, the Commission effectively discharged its statutory functions and duties. 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's Strategic Plan for 2022-2025 was published in 1 April 2022 and can be found on the Commission's website at:

<https://nihrc.org/publication/detail/strategic-plan-2022-2025>

Risk management and control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

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

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

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

- overall responsibility for ensuring that risks are identified and an appropriate framework is in place to manage those risks down to an acceptable level rests with the Commission's Accounting Officer
- individual members of staff can be nominated as 'risk owners' delegated with responsibility from the Chief Executive for monitoring and reporting on specific risks within their area of work
- the risk register, and the effectiveness of activities to manage identified risks, is reviewed by the Senior Management Team

- the Audit and Risk Management Committee, which ordinarily meets quarterly, reviews the risk register and reports to the Commission, through the Chief Executive, on the effectiveness of activities to manage identified risks following each meeting
- the Committee reviews the risk register and the effectiveness of the risk management framework
- the external environment is assessed for any opportunistic new risks as part of the annual business planning process and in addition for the new strategic plan
- information risk is managed by the Commission within the context of the risk management framework. The Commission seeks to manage down the likelihood of the risk materialising through an Information Assurance Policy and Information and Communications Technology (ICT) policies and procedures, supported by training for staff on these.

The Commission has liaised closely with the NIO network to ensure compliance. Commissioners and staff also complete annual information assurance e-learning courses.

During the course of 2022-23, the main risks faced by the Commission were:

- the deferral of the Commission's reaccreditation as an 'A' status National Human Rights Institution; and
- ability to fulfil its statutory duties and exercise powers due to limited budget

In addition to the mechanisms outlined above, as Accounting Officer, I have responsibility for ensuring the effectiveness of the system of internal control. Reviewing the effectiveness of the system of internal control is informed by the work of the internal auditors, and comments made by the external auditors in their management letter and other reports. The Commission Board continued to receive monthly financial reports and the Commission's Risk Register for scrutiny at each of its meetings, which were presented by the Chief Executive and the Director (Finance, Personnel and Corporate Affairs). Any corporate issues of concern were also brought to the Commission Board for discussion and approval. The Commission's own management controls such as its financial management procedures and the appointment of an Independent Chair to the Audit and Risk Management Committee, ensured that the Commission continued to operate throughout the period without any significant concerns being identified. I have been advised on the effectiveness of the system of internal control by the Commission (the Board), the Audit and Risk Management Committee and a plan to address identified weaknesses and ensure continuous improvement of the system is in place.

Review of effectiveness

The Audit and Risk Management Committee reviews the effectiveness of the Commission's internal control mechanisms, including receiving and approving internal audit plans and reports, approving the Commission's Financial Procedures Manual and any significant changes to it. The Committee also oversees the risk management framework and reporting to the Commission on the effectiveness of activities to manage the occurrence or impact of identified risks. The Committee furthermore reviews all international travel undertaken by Commissioners and staff, expenses claims submitted by the Chief Commissioner and the Chief Executive, and purchases over £1,000, with a particular focus on any contracts let by single tender action. As an additional reputational safeguard, the Chair of the Committee discharges the role of Authorising Officer for the Chief Commissioner's travel and expenses claims.

The Chief Commissioner, all senior management and staff completed Civil Service Mandatory training on Security and Data Protection; Civil Service Expectations; and Health and Safety.

The Committee contributed an audit, risk management and value perspective to the development of the Commission's strategic and business plans, and of its policies across a range of issues including managing difficult members of the public.

Internal Auditors

Through a tender process ASM (Belfast) were appointed as the Commission's new Internal Auditors and commenced in March 2021 for a period of 3 years. The services provided by ASM operate to standards defined by the Public Sector Internal Audit Standards. An Internal Audit Plan for 2022-23 was presented to the Commission's Audit and Risk Management Committee in June 2022 for approval.

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

The table below outlines the internal audit programme that was carried out relating to 2022-23.

System	Date of final report	Assurance rating	Status
IT Systems and Security	4 November 2022	Satisfactory	Final Report
Corporate governance, risk management and complaints handling	21 March 2023	Satisfactory	Final Report

A Satisfactory assurance level denotes that overall there is a satisfactory system of governance, risk management and control. While there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

During 2022-23 a total of 14 recommendations were made across two areas. There were no Priority One recommendations, three were identified as Priority Two and eleven as Priority Three.

In addition, the Follow-Up Report confirmed that of the twenty audit recommendations reviewed, seven were fully implemented, nine were partially implemented, three were not implemented and one was unable to be tested.

Internal audit findings are presented to the Audit and Risk Management Committee and copies of all final reports are provided to me, in my role as Accounting Officer. In addition, Internal Audit provided an Annual Assurance Report in May 2023, which will be presented to the Audit and Risk Management Committee in June 2023, confirming that the Commission's systems in relation to risk management, control and governance were adequate and operated effectively, thereby providing an overall satisfactory assurance.

Commissioners continue to receive monthly reports on financial performance and audit activity, and regular updates on the risk register.

External Auditors

Representatives from the National Audit Office (NAO) and its framework partner Ernst & Young LLP (EY), acting on behalf of the C&AG, attended all of the Committee's meetings. During this reporting period, the Committee had a positive engagement with auditors in respect of the completion report for the 2022-23 accounts and the preparation of the 2022-23 accounts.

The Committee has continued to work closely with the external auditors in this reporting period and will continue to do.

Corporate Governance

The Commission conducts its affairs in accordance with a Code of Governance prepared in line with the Cabinet Office 'Code of Conduct for Board Members of Public Bodies June 2019'. A formal self-assessment of the Board is due to take place in June 2023. It also reflects the principles set out in the Corporate Governance in central government departments: Code of Good Practice; the outcome of internal governance reviews; good governance principles developed by the Independent Commission on Good Governance and current best practice principles in corporate governance. The Commission's Code of Governance, including Standing Orders was

reviewed in 2022-23.

The Commission has a comprehensive Framework document with the NIO which sets down its value and principles and lines of accountability.

Stewardship Statements are completed bi-annually and submitted to the NIO. The 2022-23 statement was provided to the NIO in November 2022 and at the end of the financial year. The purpose of the statements is to provide assurance that the Commission maintains a sound system of internal control within its business area to support the achievement of the NIO's policies and objectives, whilst safeguarding public funds and assets. These statements also inform the content of this Governance Statement.

Going Concern

The Commission's sponsoring body is the Northern Ireland Office as laid out in the Northern Ireland Act 1998. The Commission's core budget for 2023-24 has been approved by the Northern Ireland Office. At the date of this report, the accounting officer has no reason to believe that further support beyond 31 March 2024 will not be forthcoming, not only due to the protections laid down in the Northern Ireland Act 1998, but also following the Spending Review 2021 in which the Commission's budget for the next two years until 31 March 2025 has been confirmed.

The Commission also receives additional funding for the Dedicated Mechanism, which arises from a statutory requirement under the EU Withdrawal Agreement Act. This role will continue in the future and beyond the financial year 2023-24. The Northern Ireland Office has confirmed the budget for the next two years until 31 March 2025.

Therefore, it has been considered appropriate to adopt a going concern basis for the preparation of the 2022-23 financial statements as the Commission has budgets in place for a period of 12 months from the date of this report.

Personal data related incidents

No personal data related incidents were reported to the Information Commissioner's Office (ICO) (2021-22: One).

Significant internal control weaknesses

There were no significant weaknesses in the Commission's systems of internal controls in 2022-23 that affected the achievement of the Commission's key policies, aims and objectives.



Dr David Russell
Accounting Officer

Date: 3 July 2023

Remuneration and Staff Report

Remuneration policy

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

The Chief Commissioner and Chief Executive's posts are graded within the Senior Civil Service (SCS). Pay and performance management arrangements for this post are in line with guidance issued by the Cabinet Office: *Guidance for Approval of Senior Pay* (September 2021). Increases in the Chief Commissioner and Chief Executive's pay are in line with the parameters of the Senior Salaries Review Board.

The remuneration of Commission staff aligns with those of the Northern Ireland Civil Service, in common with its sister organisations. These pay arrangements continue to be performance related. Performance is appraised by line managers in respect of achievement of agreed objectives.

The Chairperson of the Commission's Audit and Risk Management Committee was appointed through open competition. The Chairperson is remunerated at a rate of £350 per meeting (the Committee usually meets four times per year) and £350 per day (pro rata) for other work undertaken on behalf of, and at the request of, the Commission.

The other members of the Audit and Risk Management Committee were Commissioners Eddie Rooney; David A Lavery CB; and Stephen White OBE. They do not receive any additional remuneration for attendance at Committee meetings.

Contracts of employment

The Chief Commissioner and Commission members are appointed for a period of five years and three years respectively by the Secretary of State for Northern Ireland. Appointments comply with the principles of the Code of Practice of the Office of the Commissioner on Public Appointments (OCPA) (www.ocpa.gov.uk) and in line with the Cabinet Code of Practice of Corporate Governance in central government departments.

The Secretary of State may extend the appointment of the Chief Commissioner for a further term or terms. Such extensions may not exceed a maximum term in office of ten years. The Secretary of State will normally give three months' notice if an appointment is terminated.

Staff appointments are made in accordance with the Commission's recruitment and selection policy, which requires appointments to be made strictly on merit and through fair and open competition. With the exception of two fixed-term contracts, staff appointments are open-ended.

Early termination, other than for misconduct, would normally result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

Remuneration (including salary) and pension entitlements (audited information)

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

Single total figure of remuneration (audited information)								
	Salary (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ¹¹		Total (£'000)	
	2022 - 23	2021-22	2022 - 23	2021-22	2022 - 23	2021-22	2022 - 23	2021-22
Ms Alyson Kilpatrick Chief Commissioner (from 1 September 2021)	75-80	40-45 ¹²	-	-	30,000	17,000	105-110	60-65
Mr Eddie Rooney Commissioner	5-10	5-10	-	-	-	-	5-10	5-10
Ms Helen Henderson Commissioner	5-10	5-10	-	-	-	-	5-10	5-10
Mr Jonathan Kearney Commissioner	5-10	5-10	-	100	-	-	5-10	5-10
Mr Justin Kouame Commissioner (from 1 September 2022)	0-5 ¹³		-	-	-	-	0-5	-
Mr David A Lavery CB Commissioner	5-10	5-10	-	-	-	-	5-10	5-10
Mr Stephen White OBE Commissioner	5-10	5-10	-	100	-	-	5-10	5-10
Ms Maura Muldoon Commissioner (until 31 August 2021)	-	0-5 ¹⁴	-	-	-	-	-	0-5

¹¹ 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 excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

¹² The figure quoted is for the period 1 September 2021 to 31 March 2022. The full year equivalent is £70-£75k.

¹³ The figure quoted is for the period 1 September 2022 to 31 March 2023. The full year equivalent is £5-£10k.

¹⁴ The figure quoted is for the period 1 April 2021 to 31 August 2021. The full year equivalent is £5-£10k.

Mr Les Allamby Chief Commissioner (until 31 August 2021)	-	30-35 ¹⁵	-	-	-	13,000	-	45-50
Mr Sean Donaghy Chair of the Audit and Risk Management Committee (from 2 June 2021)	0-5 ¹⁶	0-5 ¹⁶	-	-	-	-	0-5	0-5
Dr David Russell Chief Executive	80-85	75-80	-	-	22,000	31,000	105-110	110-115
Mrs Lorraine Hamill Director	55-60	55-60	-	-	11,000	23,000	70-75	80-85
Ms Claire Martin Director	65-70	65-70	-	-	15,000	37,000	80-85	105-110
Ms Rhyannon Blythe Director	65-70	60-65	-	-	25,000	25,000	90-95	85-90
Ms Eilis Haughey Director	65-70	65-70	-	-	26,000	25,000	95-100	90-95
Colin Caughey Director (from 1 August 2022)	40-45 ¹⁷	-	-	-	17,000	-	60-65	-

No performance related pay or bonus payments have been made in 2022-23 (2021-22: £nil).

Salary

'Salary' includes gross salary; overtime; and any other allowance to the extent that is subject to UK taxation. No performance related pay or bonus payments were made in year (2021-22: £nil). This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument (salary). Mileage Allowance Payments for Commissioners are classed as a benefit in kind and relate to the use of their own vehicles for travel to the Commission's office for meetings.

Benefits in kind paid during the 2022-23 financial year were £105 (2021-22: £152).

¹⁵ The figure quoted is for the period 1 April 2021 to 31 August 2021. The full year equivalent is £80-£85k.

¹⁶ Charges a fee, which is processed through the Commission's payroll.

¹⁷ The figure quoted is for the period 1 August 2022 to 31 March 2023. The full year equivalent is £65-£70k.

There were no non-cash benefits made during the 2022-23 financial year (2021-22: None).

Bonuses

The Commission does not make bonus payments in respect of staff performance. No bonuses were payable to staff or to senior managers in respect of the year ended 31 March 2023 (nil for the year ended 31 March 2022).

Fair Pay Disclosure – (audited information)

	2022-23	2021-22
Band of Highest Paid Director FTE Total Remuneration	£80,000-£85,000	£75,000-£80,000
Median total pay and benefits ratio	1.95	1.90
Median total pay and benefits	£42,227	£40,711
Median total pay and benefits range	£23,000-£82,000	£22,000-£80,000
Percentage change in Director total pay and benefits	2.63%	4.02%
Ratio between highest paid director and 25 th Percentile	2.51	2.40
25 th Percentile total pay and benefits	£32,880	£32,328
Ratio between highest paid director and 75 th Percentile	1.53	1.49
75 th Percentile total pay and benefits	£53,797	£52,026

For the Northern Ireland Human Rights Commission there is no difference between total pay and benefits and the salary component of total pay and benefits.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The calculations exclude the remuneration to the part-time Commissioners as their employment terms and conditions, including rates of remuneration are determined by the United Kingdom Government and the Northern Ireland Human Rights Commission is unable to influence those rates. Details of their remuneration are provided above.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022-23 was £80,000-£85,000 (2021-22: £75,000-£80,000). This was 1.95 times the median remuneration of the workforce, which was £42,227 (2021-22: 1.90 times and £40,711). The pay multiple of 1.95 was almost the same as the 1.90 in the year ended 31 March 2022. The reason for this is that the changes in pay in the NICS arrangements and the Commission were in keeping with one another and the profile of staff has remained largely consistent with the previous year.

Staff in the Commission hold a range of posts. The level of remuneration varies according to the post that is held. The range of remuneration on a full time equivalent basis within the Commission is £23,000-£82,000 (2021-22: £22,000-£80,000).

The percentage change from the previous financial year in respect of the highest paid director's salary was 2.63 per cent. The average percentage change from the previous financial year in respect of the employees of the organization as a whole was 6.70 per cent. There was no performance pay and bonuses payable in 2022-23 (2021-22: £nil).

The ratio between the highest paid director's remuneration and the pay of the employee on the 25th percentile of pay of the organisation's employees for the financial year was 2.51:1 (2021-22: 2.40:1). The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 75th percentile of pay of the organisation's employees for the financial year was 1.53:1 (2021-22: 1.49:1). The lower quartile remuneration (representing the 25th percentile of the linear distribution) was £32,880 (2021-22 £32,328) (salary component) and the upper quartile remuneration (representing the 75th percentile of the linear distribution) was £53,797 (2021-22 £52,026) (salary component).

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

There was no severance pay in 2022-23 (2021-22: £nil).

Pension benefits (audited information)

Commissioners

The Chief Commissioner is eligible to join the Principal Civil Service Pension Scheme and the Commission paid employer pension contributions of £21,288 (2021-22: £21,441 (£9,250 for the ex-Chief Commissioner for the period 1 April 2021 to 31 August 2021; and £12,191 for the new Chief Commissioner for the period 1 September 2021 to 31 March 2022)).

No further pension contributions were made for Commissioners in the year ended 31 March 2023 (2021-22: £nil).

Chairperson of the Audit and Risk Management Committee

No pension contributions were made for the Chairperson of the Audit and Risk Management Committee in the year ended 31 March 2023 (2021-22: £nil).

Management Team

	Accrued pension at pension age as at 31/03/23	Real increase in pension and related lump sum at pension age	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Alyson Kilpatrick Chief Commissioner	0-5	0-2.5	38	13	18
David Russell Chief Executive	25-30	0-2.5	343	306	9
Lorraine Hamill Director	15-20	0-2.5	264	235	3
Claire Martin Director	15-20	0-2.5	223	197	2
Rhyannon Blythe Director	10-15	0-2.5	100	83	8
Eilis Haughey Director	0-5	0-2.5	40	20	14
Colin Caughey Director (from 1 August 2022)	5-10	0-2.5	81	69	6

The pension information for the senior management team follows guidance in the Employer Pension Notice EPN679 issued by the Civil Service Pensions.

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 employees and the majority of those already in service joined **alpha**. Prior to that date, employees participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three 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 PCSPS 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. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to **alpha** have their PCSPS benefits 'banked', with those with 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 show pension earned in PCSPS or **alpha** – as appropriate. Where the employee has benefits in both the PCSPS and **alpha**, the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6 per cent and 8.05 per cent for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic

lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos**, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32 per cent. 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 an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted show pension earned in PCSPS or alpha - as appropriate. Where there are benefits in both the PCSPS and alpha the figure quoted is the combined value of the 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 the website: <http://www.civilservicepensionscheme.org.uk/>.

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement, which the 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Staff Report

Staff numbers and related costs (audited information)

	2022-23 total	Commissioners	Permanently Employed	Others	2021-22 total
	£	£	£	£	£
Wages and salaries	1,210,899	118,177	1,002,048	90,674	1,151,327
Social security costs	134,199	9,691	116,913	7,595	119,918
Other pension costs	323,618	21,288	284,737	17,593	301,768
Total Staff Costs	1,668,716	149,156	1,403,698¹⁸	115,862	1,573,013

There were no inward seconded staff during 2022-23 (2021-22: None).

Staff detailed as 'Others' includes temporary staff directly employed by the Commission, temporary agency staff and the Chair of the Commission's Audit and Risk Management Committee.

Details of the pension contributions of £21,288 payable in respect of Commissioners (2021-22: £21,441) are described above.

The Commission's staff are covered by the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha'. PCSPS and CSOPS are unfunded multi-employer defined benefit schemes but the Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([Scheme valuations - Civil Service Pension Scheme](#)).

For 2022-23, employers' contributions of £323,618¹⁹ were payable to PCSPS (2021-22: £301,768) at one of four rates in the range 26.6 per cent to 30.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There were no employers' contributions made to one or more of the panels of three appointed stakeholder pension providers (2021-22: £Nil). Employer contributions are age-related and ranged from 8 per cent to 14.75 per cent (depending on the age of the member). Employers also match employee contributions up to 3 per cent of pensionable pay. There were no additional employer contributions at 0.5 per cent of pensionable salary to cover the cost of

¹⁸ Includes staff costs for Dedicated Mechanism staff of £513,625

¹⁹ Includes pension costs for Dedicated Mechanism staff of £100,321

centrally-provided risk benefit cover (death in service and ill-health retirement) (2021-22: £Nil).

The expected employer pension contributions to the Principal Civil Service Pension Scheme for 2023-24 is estimated at £366,478

There were no staff who retired early on ill-health grounds during 2022-23 (2021-22: None).

Number of Senior Civil Service Staff

Grade of Senior Civil Servant	2022-23 Number of Staff	2021-22 Number of Staff
5	2	2

Average number of persons employed (audited information)

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

	2022-23 Total	Commissioners	Permanently Employed	Others	2021-22 Total
Directly employed	32	7	23	2	29
Other	1	0	0	1	1
Total	33	7	23	3	30

The Commissioners are expected to devote approximately three days per month to Commission business over the course of a year.

Staff composition

	2022-23			2021-22		
	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	7	2	5	6	2	4
Permanently Employed	23	17	6	23	18	5
Others	3	3	0	1	1	0
Total	33	22	11	30	21	9

Staff Turnover

The annual turnover rate of staff for the period 2022-23 was 18.7% (2021-22: 13.0%). During the year six members of staff left the Commission to take up posts elsewhere.

Managing Attendance

Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 4.98 days per employee in 2022-23 (2021-22: 1.3 days).

Disabled Employees

The 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. All disabled applicants who meet the essential criteria for posts advertised at the Commission are guaranteed an interview. The Commission complies with all existing legislation in regard to its disabled employees.

Equal Opportunities

The Commission is committed to equality of opportunity and promoting good relations in accordance with our Equality Scheme, prepared in compliance with Section 75 of the Northern Ireland Act 1998. We strive to promote equality of opportunity and good relations within the organisation as well as in our activities. The Commission complies fully with its statutory obligations and we liaise closely with the Equality Commission for Northern Ireland to ensure we work together effectively.

Employee Consultation

The 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, 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 regular staff meetings. Meetings were also held with employees on the drafting of the Commission's business plan objectives for 2022-23 as well as the Commission's Strategic Plan for 2022-25.

Health and Safety

We recognise and accept our legal responsibilities in relation to the health, safety and welfare of our employees and for all people using our premises. In line with this commitment, the Commission has complied with the relevant legislation.

Expenditure on Consultancy

There was no expenditure on consultancy in 2022-23 (2021-22: £nil).

Off-payroll engagements

There were no off-payroll engagements in 2022-23 (2021-22: £nil).

Reporting of Civil Service and other compensation schemes – exit packages (audited information)

There were no exit packages in 2022-23 (2021-22: £nil).

A handwritten signature in blue ink, appearing to read 'Dr Russell', is centered on the page.

Dr David Russell
Accounting Officer

Date: 3 July 2023

Parliamentary Accountability and Audit Report

- 1.1 The accounts of the Northern Ireland Human Rights Commission are audited by the Comptroller and Auditor General under the Northern Ireland Act 1998. The audit fee charged was £21,875 (£17,500 in 2021-22). The auditors received no fees for non-audit services (2021-22: £nil). The auditors have been provided with all relevant audit information necessary to complete their audit and the Accounting Officer has taken all the necessary steps to ensure that the auditors are aware of any relevant information.
- 1.2 As part of the Commission's commitment to support continuous improvement, we are working with our sponsor department to understand which of the government functional standards are most appropriate for our size and scope, and best meet our business needs. Once we have agreed with our sponsor department which standards are relevant to our organisation, then we will work to embed the appropriate standards into our business processes.
- 1.3 All expenditure was applied to the purpose intended by Parliament (audited).
- 1.4 No fees or charges were collected by the Northern Ireland Human Rights Commission (audited) (2021-22: £nil).
- 1.5 The Northern Ireland Human Rights Commission has no remote contingent liabilities (audited) (2021-22: £nil).
- 1.6 The Commission had no losses or special payments (audited) (2021-22: £nil).
- 1.7 The Northern Ireland Human Rights Commission's total expenditure in 2022-23 was £2,480,189. The net expenditure for prior years was as follows:

Expenditure and income

	2022-23	2021-22	2020-21	2019-20
	£000	£000	£000	£000
Expenditure	2,480	2,333	1,636	1,282
Income	<u>(8)</u>	<u>0</u>	<u>0</u>	<u>(36)</u>
Net Operating Expenditure	2,472	2,333	1,636	1,246



Dr David Russell
Accounting Officer

Date: 3 July 2023

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

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Human Rights Commission for the year ended 31 March 2023 under the Northern Ireland Act 1998.

The financial statements comprise the Northern Ireland Human Rights Commission's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Northern Ireland Human Rights Commission's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Northern Ireland Act 1998 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and regularity of Public Sector Entities in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Northern Ireland Human Rights Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Human Right Commission's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Human Rights Commission's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Northern Ireland Human Rights Commission is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Northern Ireland Act 1998:

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Northern Ireland Act 1998; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Human Rights Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 by the Northern Ireland Human Rights Commission or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Northern Ireland Human Rights Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Northern Ireland Act 1998;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Northern Ireland Act 1998; and
- assessing the Northern Ireland Human Rights Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Northern Ireland Human Rights Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Northern Ireland Act 1998.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Northern Ireland Human Rights Commission's accounting policies;
- Inquired of management, the Northern Ireland Human Rights Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Northern Ireland Human Rights Commission's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Northern Ireland Human Rights Commission's controls relating to the Northern Ireland Human Rights Commission's compliance with the Northern Ireland Act 1998 and Managing Public Money;
- Inquired of management, the Northern Ireland Human Rights Commission's head of internal audit and those charged with governance whether:
 - They were aware of any instances of non-compliance with laws and regulations; and
 - They had any knowledge of any actual, suspected, or alleged fraud;
- discussed among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Northern Ireland Human Rights Commission for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all

audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Northern Ireland Human Rights Commission's framework of authority and other legal and regulatory frameworks in which the Northern Ireland Human Rights Commission operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Northern Ireland Human Rights Commission. The key laws and regulations I considered in this context included Northern Ireland Act 1998, Managing Public Money, employment law, pension legislation and tax legislation.

Audit response to identified risk

To respond to identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

transaction recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 3 July 2023

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

Financial Statements for the Year Ended 31 March 2023

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2023

	Notes	2022-23 £	2021-22 £
Expenditure			
Staff costs	3	1,668,716	1,573,013
Other operating costs	4	635,581	669,319
Depreciation, amortisation and impairment	4	100,461	91,241
Depreciation on Right-of-Use Assets	7	75,431	0
Total operating expenditure		<u>2,480,189</u>	<u>2,333,573</u>
Income			
Other income	5	(7,702)	0
Total operating income		<u>(7,702)</u>	<u>0</u>
Net operating expenditure for the year ended 31 March 2023		<u>2,472,487</u>	<u>2,333,573</u>
Finance Income			
Interest Receivable		(3,810)	0
Finance Expense			
Finance expense on lease liabilities	7	7,568	0
Net Expenditure for the year		<u>2,476,245</u>	<u>2,333,573</u>
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of property, plant and Equipment	6	(41,203)	(29,403)
Comprehensive net expenditure for the year		<u>2,435,042</u>	<u>2,304,170</u>

All amounts above relate to continuing activities.

The notes on pages 66 to 84 form part of the financial statements.

Statement of Financial Position as at 31 March 2023

		31 March 2023		31 March 2022	
	Notes	£	£	£	£
Non-current assets:					
Property, plant and equipment	6		480,085		536,916
Right-of-Use assets	7		520,452		0
Intangible assets	8		795		3,222
Total non-current assets			<u>1,001,332</u>		<u>540,138</u>
Current assets:					
Trade and other receivables	10	61,525		61,507	
Cash and cash equivalents	11	<u>556,606</u>		<u>541,738</u>	
Total current assets			618,131		603,245
Total assets			<u>1,619,463</u>		<u>1,143,383</u>
Current liabilities:					
Trade and other payables	12		325,368		219,330
Total current liabilities			<u>325,368</u>		<u>219,330</u>
Non Current liabilities					
Provisions – Dilapidations	13		75,000		75,000
Lease Liabilities	7		<u>523,693</u>		<u>0</u>
			<u>598,693</u>		<u>75,000</u>
Assets less total liabilities			<u>695,402</u>		<u>849,053</u>
Taxpayers' equity					
General Reserves			624,796		819,650
Revaluation Reserves			<u>70,606</u>		<u>29,403</u>
			<u>695,402</u>		<u>849,053</u>

The notes on pages 66 to 84 form part of the financial statements.

The financial statements on pages 62 to 84 were approved by the Commission on 26 June 2023.



Dr David Russell
Accounting Officer

Date: 3 July 2023

Statement of Cash Flows for the Year Ended 31 March 2023

	Notes	2022-23 £	2021-22 £
Cash flows from operating activities			
Net operating expenditure		(2,472,487)	(2,333,573)
(Increase) in trade and other receivables	10	(18)	(14,098)
Increase/(Decrease) in trade payables	12	106,038	(59,085)
Depreciation, amortisation and impairment	4	100,461	91,241
Depreciation on Right-of-Use Assets	4	75,431	0
Net cash outflow from operating activities		(2,190,575)	(2,315,515)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	0	(10,972)
Net cash outflow from investing activities		0	(10,972)
Cash flows from financing activities			
Funding from parent department		2,281,391	2,527,887
Interest Receivable		3,810	0
Payments of lease liabilities		(72,190)	0
Finance expense on lease liabilities		(7,568)	0
Net cash inflow from financing activities		2,205,443	2,527,887
Net increase in cash and cash equivalents in the period	11	14,868	201,400
Cash and cash equivalents at the beginning of the period	11	541,738	340,338
Cash and cash equivalents at the end of the period	11	556,606	541,738

The notes on pages 66 to 84 form part of the financial statements.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2023

	General Reserves £	Revaluation Reserves £	Total Reserves £
Balance at 31 March 2021	625,336	0	625,336
Comprehensive net expenditure for the year	(2,333,573)	0	(2,333,573)
Net gain on revaluation of property	0	29,403	29,403
Grant-in-aid from NIO	2,527,887	0	2,527,887
Balance at 31 March 2022	819,650	29,403	849,053
Changes in taxpayers' equity for 2022-23			
Comprehensive net expenditure for the year	(2,476,245)	0	(2,476,245)
Net gain on revaluation of property	0	41,203	41,203
Grant-in-aid from NIO	2,281,391	0	2,281,391
Balance at 31 March 2023	624,796	70,606	695,402

The notes on pages 66 to 84 form part of the financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2023

1. Statement of accounting policies

The Secretary of State for Northern Ireland has directed the Human Rights Commission for Northern Ireland to prepare accounts under the Northern Ireland Act 1998. The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) for 2022-23, issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Human Rights Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Human Rights Commission for the year ending 31 March 2023 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

The financial statements have been prepared in accordance with the historical cost convention, modified to account for the revaluation of property, plant and equipment.

The accounts comply with the accounting standards issued or adopted by the Accounting Standards Board, FReM and accounting and disclosure requirements issued by HM Treasury and are in Sterling.

1.2 Critical accounting estimates and key judgements

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

(i) Depreciation of property, plant, equipment and intangibles

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.7 and Note 1.9.

(ii) Leases

Property leases assessed for IFRS16 Right-of-Use assets are valued using a cost model which has been used as a proxy for current value as the underlying assets value of the short lease is unlikely to fluctuate significantly.

(iii) 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.

(iv) Provisions

The Commission provides for legal or constructive obligations, which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation.

1.3 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2023

The Commission has reviewed the standards, interpretations and amendments to the International Financial Reporting Standards (IFRS) included in the 2022-23 Government Financial Reporting Manual (FReM) and which are relevant to its operations.

IFRS 16 – Leases replaces IAS 17 Leases and related interpretations and had an effective date of 1 January 2019. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The new standard was due to be applied

from 1 April 2019, however, for bodies applying the Government Financial Reporting Manual (FRM), HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS16 until 1 April 2022. The Commission is impacted by the implementation in relation to the Alfred House lease.

In respect of lessees, IFRS16 removes the distinction between operating and finance leases and introduces a single accounting model that requires a lessee to recognise (right-of-use) assets and lease liabilities.

The definition of a lease has been updated under IFRS16, there is more emphasis on being able to control the use of the asset identified in a contract. There are new requirements for variable lease payments such as RPI/CPI uplifts; and there is an accounting policy choice allowable to separate non-lease components.

Implementation and Assumptions

The Commission has applied IFRS16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS17 and IFRIC4. The cumulative effect of adopting IFRS16 is included as an adjustment to equity at the beginning of the current period.

IAS17 operating leases are included within our statement of financial position as a lease liability and right-of-use asset for the first time with changes made through the general fund as a cumulative catch up adjustment. The calculation of the lease liability and right-of-use assets are included below.

The option to reassess whether a contract is, or contains, a lease at the date of initial application has not been used, the Commission has used the practical expedient detailed in IFRS16 (C3).1.

On transition any differences between the discounted lease liability and the right-of-use asset are included through cumulative catch up. Any differences between lease liability and right-of-use asset for new leases after implementation of IFRS16 are recorded in income on the SoCNE.

The Commission has elected not to recognise right-of-use assets and lease liabilities for the following leases:

- Intangible assets;
- Non-lease components of contracts where applicable;
- Low value assets (less than £1,000); and
- Leases with a lease term of 12 months or less.

Previous Treatment

In the comparative period, as a lessee the Commission classified leases that transfer substantially all the risks and rewards of ownership as finance leases.

Assets previously held as operating leases were not recognised in the Commission's statement of financial position. Payments were recognised on a straight line basis over the term of the lease. Lease incentives were recognised as an integral part of the total lease expense, over the term of the lease.

Policy applicable from 1 April 2022

At inception of a contract, the Commission assess whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time.

This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Commission assesses whether:

- The contract involves the use of an identified asset;
- The Commission has the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use; and
- The Commission has the right to direct the use of the asset.

The policy is applied to contracts entered into, or changed, on or after 1 April 2022.

At inception or on reassessment of a contract that contains a lease component, the Commission allocates the consideration in the contract to each lease component on the basis of the relative standalone prices.

The Commission assess whether it is reasonably certain to exercise break options or extension options as the lease commencement date. The Commission reassesses this if

there are significant events or changes in circumstances that were anticipated.

As a lessee

Right-of-Use assets

The Commission recognises a right-of-use asset and lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for initial direct costs, prepayments or incentives, and costs related to restoration at the end of the lease.

The right-of-use assets are subsequently measured at either fair value or current value in existing use in line with property, plant and equipment assets. The cost measurement model in IFRS16 is used as an appropriate proxy for current value in existing use or fair value for the majority of leases (consistent with the principles for subsequent measurement of property, plant and equipment) except for those which meet one of the following:

- A longer-term lease that has no provisions to update lease payments for market conditions or if there is a significant period of time between those updates; and;
- The fair value or current value in existing use of the underlying asset is likely to fluctuate significantly due to changes in market prices.

The right-of-use assets are depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis of those of property, plant and equipment.

The Commission applies IAS36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that cannot be readily determined, the rate provided by HMT.

The lease payment is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a change in the Commission's estimates of the amount expected to be payable under residual value guarantee, or if the Commission changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease payments included in the measurement of the lease liability comprises of the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Commission is reasonably certain to exercise, lease payments in an optional renewal period if the Commission is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Commission is reasonably certain not to terminate early.

When the lease liability is remeasured a corresponding adjustment is made to the right-of-use asset or recorded in the SoCNE if the carrying amount of the right-of-use asset is zero.

Impact on financial statements as at 1 April 2022

On transition to IFRS16, the Commission recognised an additional £595,883 of right-of-use assets and £595,883 of lease liabilities. When measuring lease liabilities, the Commission discounted lease payments using a rate of 1.27%.

	£
Operating lease commitment at 31 March 2022 (excluding VAT)	630,224
Effect of 'discounted using discount rate'	(34,341)
Finance Lease liabilities at 31 March 2022	-
Exemptions for:	
Short term leases	-
Leases of low value assets	-
Extension and termination options reasonably certain to be exercised	-
Variable lease payments based on an index or a rate	-
Residual value guarantees	-
Lease liabilities recognised at 1 April 2022*	595,883

*Finance lease liabilities at 1 April 2022 relates to:

- £593,068 relates to the lease on Alfred Street offices
- £2,815 relates to a photocopier located at Alfred Street offices

The effect of 'discounted using discount rates' is £34,341, being the difference between restated operating lease commitments £630,224 and the total lease liability of £595,883.

1.4 Accounting standards, interpretations and amendments to published standards not yet effective

The Commission has not adopted any Standards or Interpretations from the IFRS in advance of the required implementation dates. The following standards or interpretations were issued by the International Accounting Standards Board but have not been adopted:

IFRS 17 – Insurance contracts supersedes IFRS 4 Insurance contracts and related interpretations. This new standard was due to be applied from 1 January 2023 but the IASB has deferred the effective date until 1 April 2025.

1.5 Income

At times, the Commission receives income from sources other than the NIO, for specific projects. The Commission will seek to recover any associated costs for the project in line with the contract.

In line with its accounting policy, the Commission applies the requirements of IFRS 15 to income earned from other sources.

The Commission received £7,702 as a contribution from The Equality Human Rights and Delivering Social Change Unit of The Executive Office for the review and update of the Northern Ireland Civil Service website resource guide.

1.6 Grant-in-aid

Grant in aid is credited directly to the General Reserve as it is regarded as contributions from a controlling party, which gives rise to a financial interest in the residual interest in the Commission.

1.7 Property, plant and equipment and depreciation

Property plant and equipment comprises leasehold improvements to Alfred Street, fixtures and fittings and information technology equipment at fair value.

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

Leasehold improvement expenditure has been capitalised and is restated at current value using professional valuations. Valuations are carried out annually using indices compiled by the Office for National Statistics, and normally every third year by professional external valuers employed by the Land and Property Services (Valuations) in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors, as at 31 March 2023. The current lease was negotiated in March 2020 and is for a period of ten years until 18 March 2030 with a break clause after five years.

Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of property, plant and equipment is credited to the Revaluation Reserve unless it reverses a revaluation decrease of the same asset previously charged to the Statement of Comprehensive Net Expenditure;
- Losses arising from the revaluation of property, plant and equipment are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

All property, plant and equipment are reviewed annually as part of an inventory check against the Commission's asset register.

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

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

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

1.8 Leases

Right-of-use assets within the Commission comprise the lease of premises at Alfred Street and the lease of a photocopier.

IFRS 16 – Leases replaces IAS 17 Leases and related interpretations and had an effective date of 1 January 2019. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The new standard was due to be applied from 1 April 2019, however, for bodies applying the Government Financial Reporting Manual (FRoM), HM Treasury have agreed with the Financial Reporting Advisory Board

(FRAB) to defer the implementation of IFRS16 until 1 April 2022. The Commission is impacted by the implementation in relation to the Alfred House lease.

1.9 IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

Under IAS 37.14, a provision shall be recognised when:

- “An entity has a present obligation (legal or constructive) as a result of a past event;
- It is probably that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.”

As the Commission’s lease contains a clause under which, at the expiration of the lease, there is an obligation to repair the property and return it to the lessor in a specified condition, a provision for dilapidation costs is recognised in the accounts.

The provision for dilapidation costs is based on a reliable estimate of the amount that would need to be paid to discharge the obligation at the end of the lease.

1.10 Intangible Assets

The Commission follows the criteria set out within IAS 38 when recognising an asset as intangible.

Software licences are amortised over 2 years (or the life of the license).

Intangible assets are amortised over 5 years (or the life of the asset).

1.11 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS), which are described in the Remuneration and Staff Report. The defined benefit schemes are unfunded and contributory.

In line with FReM’s adaptation of IAS 19, the Commission accounts for the PCSPS as if it were a defined contribution scheme. In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

1.12 Value Added Tax

The Commission is ineligible to reclaim input VAT on expenditure. Therefore, all irrecoverable VAT is included in expenditure or included in the capitalised purchase cost of non-current assets.

Irrecoverable VAT payable on lease payments is excluded from the initial measurement of right-of-use assets and lease liability; rather, it is treated as an expense at the tax point in accordance with IFRIC 21 Levies.

1.13 Legal casework expenditure

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

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

1.14 Staff costs

Under IAS19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the Commission is obligated to pay them. This includes the cost of any untaken leave as at the year-end, which is estimated at £48,500 (2021-22: £57,720).

1.15 Going concern

The Commission's sponsoring body is the Northern Ireland Office as laid out in the Northern Ireland Act 1998. The Commission's core budget for 2023-24 has been approved by the Northern Ireland Office. At the date of this report, the accounting officer has no reason to believe that further

support beyond 31 March 2024 will not be forthcoming, not only due to the protections laid down in the Northern Ireland Act 1998, but also following the Spending Review 2021 in which the Commission's budget for the next two years until 31 March 2025 has been confirmed.

The Commission also receives additional funding for the Dedicated Mechanism, which arises from a statutory requirement under the EU Withdrawal Agreement Act. This role will continue in the future and beyond the financial year 2023-24. The Northern Ireland Office has confirmed the budget for the next two years until 31 March 2025.

Therefore, it has been considered appropriate to adopt a going concern basis for the preparation of the 2022-23 financial statements as the Commission has budgets in place for a period of 12 months from the date of this report.

2. Analysis of net expenditure by segment

In line with the provisions of IFRS 8, Operating Segments, the Commission does not normally analyse its net expenditure by operating segments. However, as the Commission received ring-fenced funding for the dedicated mechanism, we have disclosed this expenditure as a footnote throughout the annual report and accounts.

3. Staff costs²⁰

	2022-23 total	Commissioners	Permanently Employed	Others	2021-22 total
	£	£	£	£	£
Wages and salaries	1,210,899	118,177	1,002,048	90,674	1,151,327
Social security costs	134,199	9,691	116,913	7,595	119,918
Other pension costs	323,618	21,288	284,737	17,593	301,768
Total Staff Costs	1,668,716	149,156	1,403,698²¹	115,862	1,573,013

²⁰ Average number of persons employed can be found in the staff report on page 50.

²¹ Includes staff costs for Dedicated Mechanism of £513,625

4. Other expenditure

	2022-23	2021-22
	£	£
Advertising, publicity and publications	40,392	83,810
Auditor's (NAO) remuneration	21,725	17,500
Building maintenance and expenses	48,094	71,364
Conferences and seminars	14,276	18,835
Insurance	9,188	8,135
Internal audit	7,020	9,828
Investigations & Research	55,662	77,483
IT	57,652	51,513
Legal casework (non-recoverable)	177,008	86,412
Light and heat	24,092	15,055
Non-recoverable VAT expense	15,754	0
Other expenses	408	556
Printing, postage and stationery	6,957	7,907
Professional fees	46,877	55,286
Rates	22,817	1,595
Rentals under operating leases	0	94,522
Rental for car park	0	4,763
Staff training and recruitment	35,756	33,145
Telephone	15,022	17,439
Travel, subsistence and hospitality	36,881	14,171
	<u>635,581</u>	<u>669,319</u>
Finance Costs		
Interest Expense	<u>7,568</u>	<u>0</u>
	643,149	669,319
Non-Cash Items:		
Depreciation, Amortisation and Impairment	100,461	91,241
Depreciation Right-of-Use Assets	<u>75,431</u>	<u>0</u>
	<u>819,041</u>	<u>760,560</u>

There were no payments made to the auditors during the year for non-audit services (2021-22: £nil).

5. Income

The Commission also has recognised income from other sources as follows:

	2022-23	2021-22
	£	£
Contribution from The Equality Human Rights and Delivering Social Change Unit of The Executive Office for the review and update of the Northern Ireland Civil Service website resource guide	7,702	-
Total	7,702	-

In line with its accounting policy, the Commission has applied the requirements of IFRS 15 to income received from sources other than the NIO, for specific projects. The Commission seeks to recover any associated costs for the projects in line with the contract.

The recognised income of £7,702 received from The Equality and Human Rights Delivering Social Change Unit of The Executive Office was for the Commission's work on reviewing and updating the Northern Ireland Civil Service website resource guide.

6. Property, plant and equipment

2022-23	Leasehold Improvements	Information technology	Furniture & fittings	Total
Cost or valuation	£	£	£	£
At 1 April 2022	579,834	91,493	93,393	764,720
Additions	0	0	0	0
Revaluation	41,859	0	0	41,859
At 31 March 2023	<u>621,693</u>	<u>91,493</u>	<u>93,393</u>	<u>806,579</u>
Depreciation				
At 1 April 2022	125,599	73,849	28,356	227,804
Charged in year	71,176	8,612	18,246	98,034
Revaluation	656	0	0	656
At 31 March 2023	<u>197,431</u>	<u>82,461</u>	<u>46,602</u>	<u>326,494</u>
Net book value at 31 March 2023	<u>424,262</u>	<u>9,032</u>	<u>46,791</u>	<u>480,085</u>
Net book value at 31 March 2022	<u>454,235</u>	<u>17,644</u>	<u>65,037</u>	<u>536,916</u>

6. Property, plant and equipment (cont.)

2021-22	Leasehold Improvements	Information technology	Furniture & fittings	Total
Cost or valuation	£	£	£	£
At 1 April 2021	550,034	80,521	93,393	723,948
Additions	0	10,972	0	10,972
Revaluation	29,800	0	0	29,800
At 31 March 2022	579,834	91,493	93,393	764,720
Depreciation				
At 1 April 2021	59,959	68,862	11,430	140,251
Charged in year	65,244	4,987	16,926	87,157
Revaluation	396	0	0	396
At 31 March 2022	125,599	73,849	28,356	227,804
Net book value at 31 March 2022	454,235	17,644	65,037	536,916
Net book value at 31 March 2021	490,075	11,659	81,963	583,697
Asset financing:				
Owned	454,235	17,644	65,037	536,916
Finance leased	0	0	0	0
Net book value at 31 March 2022	454,235	17,644	65,037	536,916

7. Leases

Following the adoption of IFRS16 in the 2022-23 financial accounts, the Commission's leases are now recognised on the balance sheet, with the exception of those leases which are exempt by having less than 12 months to run from 31 March 2022 or are considered low value (less than £1,000).

The finance lease is recognised as an asset and a corresponding lease liability at the net present value of future lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

A discount rate of 1.27% has been applied in the calculation on lease liabilities. As at 31 March 2023 the Commission was committed to making the following payments in respect of finance leases:

2022-23	Leasehold Improvements	Furniture & fittings	Total
Right of use assets	£	£	£
Cost or valuation			
At 1 April 2022	0	0	0
Impact of first-time adoption of IFRS16	593,068	2,815	595,883
At 31 March 2023	<u>593,068</u>	<u>2,815</u>	<u>595,883</u>
Depreciation			
At 1 April 2022	0	0	0
Charged in year	74,465	966	75,431
At 31 March 2022	<u>74,465</u>	<u>966</u>	<u>75,431</u>
Net book value at 31 March 2023	<u>518,603</u>	<u>1,849</u>	<u>520,452</u>

2022-23	Leasehold Improvements	Furniture & fittings	Total
Lease Liabilities	£	£	£
At 1 April 2022	0	0	0
Additions	(593,068)	(2,815)	(595,883)
Interest on lease liabilities @ 1.27%	(7,532)	(36)	(7,568)
Cash Payment	78,768	990	79,758
At 31 March 2023	<u>(521,832)</u>	<u>(1,861)</u>	<u>(523,693)</u>

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

No later than one year	<u>(72,141)</u>	<u>(966)</u>	<u>(73,107)</u>
Later than one year and not later than five years	<u>(297,842)</u>	<u>(895)</u>	<u>(298,737)</u>
Later than five years	<u>(151,849)</u>	<u>0</u>	<u>(151,849)</u>
Balance at 31 March 2023	<u>(521,832)</u>	<u>(1,861)</u>	<u>(523,693)</u>

The lease for the Alfred Street premises ends in March 2030 with a five-year break clause.

The lease for a photocopier at Alfred Street ends in February 2025.

IFRS16 was adopted on 1 April 2022 without restating prior year figures. As a result, the financial statements are shown on an IFRS16 basis for 31 March 2023 and an IAS 17 basis for 31 March 2022. Note 1.3 provides a reconciliation of the two measures.

8. Intangible Assets

	Software & Licences 2022-23	Software & Licences 2021-22
	£	£
Cost or valuation		
at 1 April	44,103	44,103
Additions	0	0
Disposals	(10,525)	0
at 31 March	<u>33,578</u>	<u>44,103</u>
Amortisation		
at 1 April	40,881	36,798
Charged in year	2,427	4,083
Disposals	(10,525)	0
at 31 March	<u>32,783</u>	<u>40,881</u>
Net book value at 31 March	<u>795</u>	<u>3,222</u>

9. Financial instruments

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

10. Trade receivables and other current assets

	2022-23	2021-22
	£	£
Amounts falling due within one year:		
Trade Receivables	0	774
Prepayments and accrued income	61,525	60,733
	<u>61,525</u>	<u>61,507</u>

11. Cash and cash equivalents

	2022-23	2021-22
	£	£
Balance at 1 April	541,738	340,338
Net change in cash and cash equivalent balances	14,868	201,400
Balance at 31 March	<u>556,606</u>	<u>541,738</u>
The following balances at 31 March were held at: Commercial banks and cash in hand	<u>556,606</u>	<u>541,738</u>
Balance at 31 March	<u>556,606</u>	<u>541,738</u>

12. Trade payables and other current liabilities

	2022-23 £	2021-22 £
Amounts falling due within one year:		
Taxation and social security	33,653	35,058
Trade payables	942	948
Other payables	5,252	1,158
Accruals	285,521	182,166
	325,368	219,330

13. Provisions for liabilities and charges

	2022-23 Other £	2022-23 Total £
Balance at 1 April	75,000	75,000
Provided in- year	0	0
Provisions written off in-year	0	0
Balance at 31 March	75,000	75,000

The amount of £75,000 in the 2022-23 above figures relates to provision made for the estimated dilapidation costs at the end of the Commission's ten year lease for its premises in Alfred Street, Belfast. The Commission's lease allows for a 5 year break clause which, at present, the Commission does not plan to exercise.

14. Contingent liabilities disclosed under IAS 37

The Commission has a contingent liability of £107,583 for 2022-23 for two ongoing legal cases.

One legal case has a contingent liability of £67,233 due to an unsuccessful outcome in the Court of Appeal in April 2023 where costs were awarded against the Commission. The Commission has made an application for leave to appeal to the UK Supreme Court and a decision from the Court of Appeal is awaited. If the application is refused, we will seek leave directly from the UK Supreme Court. The payment of this liability is contingent on decisions from the Court of Appeal and the UK Supreme Court.

The second legal case has a contingent liability of £40,350 due to an unsuccessful outcome in the Court of Appeal. The written judgement is awaited and costs will be awarded against us. The Commission has issued judicial review proceedings and a leave hearing has been set for October 2023. The payment of this liability is contingent on a decision on judicial review proceedings. (2021-22: £nil).

15. Capital Commitments

The Commission has no capital commitments for 2022-23 (2021-22: £nil).

16. Related-party transactions

The Commission is a non-departmental public body sponsored by the Northern Ireland Office (NIO).

The NIO is regarded as a related party. During the year, the Commission had various transactions with NIO, associated with the receipt of grant-in-aid.

In addition, the Commission has had various transactions with other Government departments.

Except for the remuneration disclosed in the Remuneration and Staff Report on pages 40-52, none of the Commissioners, Management Team or other related parties has undertaken any material transactions with the Commission during the year.

17. Events after the reporting period

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

There were no significant events after the reporting date.