



NORTHERN
IRELAND
HUMAN
RIGHTS
COMMISSION

**Annual Report and Accounts
2018-19**



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2018-19**

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

Ordered by the House of Commons to be printed
on 18 July 2019

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ISBN 978-1-5286-1491-7

CCS0719571412

07/19

Printed on paper containing 75% recycled fibre content minimum.

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

9 July 2019

Rt Hon Karen Bradley MP
Secretary of State for Northern Ireland
Stormont House
Stormont Estate
Belfast
Northern Ireland
BT4 3SH

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 nineteenth Annual Report of the Northern Ireland Human Rights Commission. It shows how the Commission has performed its functions during the year 1 April 2018 to 31 March 2019.

The Annual Report and Accounts includes the Commission's financial statements for the year ending 31 March 2019, which have been prepared in accordance with Paragraph 7 of Schedule 7 of the Northern Ireland Act 1998, and which were approved and certified by the Comptroller and Auditor General.

Yours sincerely



Les Allamby
Chief Commissioner

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It is available for download at www.nihrc.org

Performance Report Overview

Chief Commissioner's Foreword

This Annual Report charts a year of significant productivity while operating within significant continuing financial constraints.

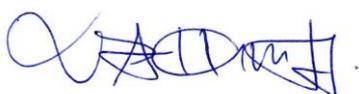
The Commission took no position on whether the United Kingdom should remain or leave the European Union during the referendum. Nonetheless, once the decision was made to trigger Article 50 to begin the formal process of leaving the EU the Commission has actively engaged in ensuring human rights protections are safeguarded in practical terms in line with the government's commitment to 'no diminution of rights' contained in the Rights, Safeguards and Equality of Opportunities section of the Belfast (Good Friday) Agreement as a result of leaving the European Union. This work was done through the Joint Committee with the Irish Human Rights and Equality Commission – itself a creation of the Belfast (Good Friday) Agreement and also alongside the Equality Commission for Northern Ireland. The Joint Committee engaged in depth with the United Kingdom government at ministerial level and the Cabinet Office, DExEU and NIO senior officials, the UK negotiating team in Brussels, the Irish government and the European Commission. As in any discussions, the Joint Committee did not achieve all its objectives set out in our policy statement in March 2018, nonetheless, the Ireland/Northern Ireland protocol to the Draft Withdrawal Agreement contained commitments to maintain rights protections across significant areas of existing European Law covering employment, self-employment, access to goods and services, social security and freedom from discrimination based on racial and ethnic origin. The protocol also envisages the creation of dedicated mechanisms comprising the Commission, the Equality Commission and the Joint Committee to monitor, supervise, advise, report and enforce in the courts where necessary the non-diminution of rights commitment. Whether the Draft Withdrawal Agreement is passed by Parliament or not, there will remain a need to safeguard the Belfast (Good Friday) Agreement in at least an equivalent way and the Commission remains ready to fulfil a positive role to ensure human rights protections are maintained and developed.

Moreover, the Commission in its Joint Committee role commissioned work on the Common Travel Area and the cross-border security, civil and criminal justice ramifications of Brexit. The fruits of the former analysis that the Common Travel Area needs a stronger legal underpinning will be played out as the detail behind the Memorandum of Understanding on the Common Travel Area is fleshed out in practice. The Commission will also continue to engage in the legal and policy dynamics to ensure the citizens' rights of everyone in Northern Ireland are protected in line with the Belfast (Good Friday) Agreement's provisions to recognise people's rights to identify as British or Irish or both without adverse consequences.

The Commission was ultimately unsuccessful in its appeal to the Supreme Court that the current law on abortion in Northern Ireland was not compatible with human rights in cases of fatal foetal abnormality including serious malformation of the foetus and for victims of rape and incest. The Supreme Court ruled by a majority that the Commission did not have the statutory power to take the case without a victim yet, unusually also went on to give its legal opinion (again by a majority) that the current law is not compatible with Article 8 (the rights to family and private life) in cases of fatal foetal abnormality and for victims of sexual crimes. Additional court challenges have been lodged by others with the Commission intervening as an interested party. The Secretary of State has announced that the Commission's powers to take cases in its own name as originally purposed will be restored at the first legislative opportunity and the Commission welcomes that commitment, hoping to see it realised expeditely.

The Commission handed over the role of chairing the Commonwealth Forum of National Human Rights Institutions at the Commonwealth Heads of Government meeting in London. The Commission published work for members on utilising the Universal Periodic Review process, on how the United Nations Disarmament, Demobilisation and Reintegration principles can be applied to post conflict societies and also advanced work on principles of good governance and how human rights can be applied to major sporting events such as the Commonwealth Games. The Commission was delighted to pass the baton to the Equality and Human Rights Commission and have continued to work on issues they are carrying forward including LGBTIQ rights and business and human rights.

The Commission has published its Strategic Plan for 2019-2022 setting out our priorities for the immediate future. The Commission will continue to take a 'can do' practical approach to its mandate to protect and promote the human rights of everyone in Northern Ireland. To do that, we need a decent financial platform. The Commission delivers high quality work within further diminishing financial resources. As a statutory public body we are obliged to live within our means, nonetheless it would be remiss of me not to highlight the difficulties we face in fully meeting our mandate. This year an internal audit recommended the need for an external review of our work and this is a recommendation the Commission endorses as it would shine a welcome light on what I believe is an organisation which provides value for money, effectiveness and efficiency in its work.



Les Allamby
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 2018-19.

The Commission was established as a result of the Belfast (Good Friday) Agreement 1998 and has been in operation since 1 March 1999. Its governing legislation is the Northern Ireland Act 1998, as amended by the Justice and Security (Northern Ireland) Act 2007. We are designated as a non-departmental public body, and receive grant-in-aid from the United Kingdom government through the Northern Ireland Office. We also report to Parliament through the Secretary of State for Northern Ireland.

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

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 include:

- (i) providing advice on legislative Bills introduced in the Northern Ireland Assembly and on policy proposals made by Ministers in the Northern Ireland Executive. We also provide advice to the United Kingdom government and Parliament on matters affecting human rights in Northern Ireland.
- (ii) 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.
- (iii) 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.

- (iv) providing legal assistance to individuals and initiating strategic cases.
- (v) monitoring the implementation of international human rights treaties and reporting to the United Nations and Council of Europe.
- (vi) engaging with other National Human Rights Institutions in the United Kingdom and working in partnership with the Irish Human Rights and Equality Commission.

The Commission, with the Equality Commission for Northern Ireland, has been designated under the United Nations Convention on the Rights of Disabled Persons as the independent mechanism tasked with promoting, protecting and monitoring implementation of Convention in Northern Ireland.

Our Annual Statement, 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 2018 statement was, for the seventh consecutive year, sponsored and introduced by the Speaker of the Northern Ireland Assembly. It was launched by the Parliamentary Under Secretary of State for Scotland and Parliamentary Under Secretary of State for Northern Ireland, Lord Duncan of Springbank.

The Commission has a formal partnership with the Irish Human Rights and Equality Commission through a Joint Committee established under the Belfast (Good Friday) Agreement. This considers human rights issues in the island of Ireland.

It is proposed that the Commission will be mandated as a 'dedicated mechanism', alongside the Equality Commission for Northern Ireland and the Irish Human Rights and Equality Commission, to ensure 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. To fulfil this role the United Kingdom government is to confer upon the Commission new powers to monitor, supervise, advise, report on and enforce the commitment, as well as provide adequate resources to ensure that it is able to perform this enhanced role effectively.

The Commission has continued to operate in accordance with its Strategic Plan 2016-19 'Building a Culture of Human Rights' and the objectives set in our Business Plan 2018-19. The areas of work are captured in three broad themes, with actions, outcomes and key activities as follows:

Pillar One: Delivering human rights through excellent services to the public

The Commission has continued to develop and deliver human rights training for the Northern Ireland Civil Service, in partnership with the Executive Office and the Centre for Applied Learning. We delivered a number of sessions that provide practical guided learning, exploring how human rights considerations can be embedded within the process of developing government policies.

We also worked during the year with the Executive Office to update an online human rights guide for civil servants. This resource is housed on the Commission's website and is publicly accessible.

Throughout 2018 the Commission partnered with the Department of Finance (Construction & Procurement Delivery) to develop guidance for government departments on procurement and human rights compliance. The guidance was launched in January 2019 by the Permanent Secretary, Sue Gray, at a Business and Human Rights Forum event. It sets out legal obligations for contractors to consider human rights when conducting procurement processes. It also includes measures to prevent and mitigate human rights risks.

The work of the Business and Human Rights Forum has itself continued to flourish. Established in 2015, this Forum is a multi-stakeholder platform which enables government, business, and civil society to engage with each other and discuss subjects relevant to the protection and promotion of human rights within the private sector.

Membership of the Forum has continued to grow, and now spans across government departments and other public authorities; a number of multi-national corporations; small and medium-sized enterprises; trade unions and community based organisations. This year, we focused on issues including the impact of United Kingdom's withdrawal from the European Union; sustainability and transparency in supply chains; a draft Modern Slavery Strategy; childcare and employment. A Northern Ireland Action Plan on Business and Human Rights was also agreed, and Forum members are actively exploring ways to implement the plan in the ongoing absence of the devolved Assembly.

In December 2018, the Forum hosted its annual event as part of the Northern Ireland Human Rights Festival. This focussed on the theme of 'fast fashion' and was delivered in a partnership with Belfast School of Art at Ulster University, and Safia Minney MBE, Founder of People Tree. The event provided an opportunity to expand engagement with the Forum and capture a new audience of students and young business owners.

This year the Commission developed a pilot programme of engagement with post primary education providers and in the process visited ten

schools. We also worked in partnership with the Council for Curriculum, Examinations and Assessment to update support materials on the subject of Life and Learning and Work.

As part of our role monitoring the implementation of international human rights treaties, the Commission submitted evidence during the year to the Committee on the Elimination of Discrimination Against Women. Our comprehensive report included highlighting the ongoing failure of the United Kingdom government to amend termination of pregnancy laws in Northern Ireland. We also called for the urgent ratification of the Istanbul Convention on preventing and combating violence against women and domestic violence.

The Commission submitted similar evidence to the United Nations Committee against Torture. On this occasion highlights included; the need to address the legacy of the Northern Ireland conflict, the conditions of detention and the continuing need to develop a Bill of Rights for Northern Ireland in accordance with the Belfast (Good Friday) Agreement.

In May 2018 we facilitated an in-country visit from Committee of Experts for the Council of Europe Charter on Regional and Minority Languages. The Commission made a written submission to the Committee setting out our concerns.

In November 2018 we met with United Nations Special Rapporteur on Extreme Poverty Philip Alston as part of his visit to the United Kingdom. The discussion focused on the effect of austerity measures, the roll out of Universal Credit, child poverty, the implications of withdrawal from the European Union on poverty, and the impact of an increasingly digital government on the most vulnerable. Throughout the year the Commission has engaged with the office of the Special Rapporteur and we intend to make an oral intervention before the Human Rights Council when his report is presented to the United Nations in summer 2019.

Pillar two: Human rights and building the future in Northern Ireland

The Commission invested significant time and resource during 2018-19 analysing the human rights implications of the United Kingdom's withdrawal from the European Union engaging with Ministers, senior officials and other stakeholders.

We engaged in extensive discussions with the Northern Ireland Office, the Department for Exiting the European Union and Cabinet Office on the proposal for the establishment of the 'dedicated mechanism' to implement the United Kingdom's government's commitment to ensure no diminution of rights in Northern Ireland. The Commission proposed, and participated in, a round-table with stakeholders hosted by Ministers from the Northern Ireland Office and the Department for Exiting the EU, in October.

Working in partnership with the Irish Human Rights and Equality Commission as the 'Joint Committee' established under the Belfast (Good Friday) Agreement, we undertook a programme of work, building on a joint policy statement published in March 2018.

The Joint Committee met European Union Chief Negotiator Michel Barnier in April and travelled to Brussels in May 2018 for a series of meetings including with his Taskforce 50 team, as well as the United Kingdom's Permanent Representative to the European Union, Sir Tim Barrow, and Permanent Representative of Ireland to the European Union, Declan Kelleher.

The Joint Committee also commissioned two pieces of research on the Common Travel Area and on justice and security arrangements.

The Common Travel Area research concluded that current arrangements are "written in sand, and its terms are much more limited than is often believed to be the case". These arrangements would in our view benefit from greater legal certainty to continue their smooth operations in the future. The research recommended that both the Irish and United Kingdom governments should look to secure a new intergovernmental Common Travel Area treaty. Such a treaty would formalise common immigration rules, travel rights, residency rights, and related rights to education, social security, work, health and security and justice. The research formed the basis of the Commission's engagement with the United Kingdom government including a productive round-table with senior officials and stakeholders in December 2018.

A draft of the justice and security research was presented and discussed at a meeting of the Joint Committee in Armagh held in March 2019, which also heard evidence from the Police Service of Northern Ireland, the Probation Board of Northern Ireland and Probation Service of Ireland in relation to the future challenges for North-South co-operation. A final report will be published in 2019/20.

In January, the Joint Committee presented evidence to the Oireachtas Joint Committee on Justice and Equality. Seven areas were raised with the Committee:

1. The extent of protections provided by the UK Government's "no diminution of rights" commitment.
2. The United Kingdom's decision to no longer be bound by the Charter of Fundamental Rights.
3. The legal basis for the Common Travel Area.
4. The rights of citizens.
5. Justice and security arrangements.
6. Possible future divergence on rights protections.
7. Ensuring that the value of the dedicated mechanism proposed within the Draft Withdrawal Agreement is realised in practice.

In May 2018, the Northern Ireland Office launched a consultation seeking views on draft legislation to establish the various legacy bodies proposed within the Stormont House Agreement. The Commission broadly welcomed the draft legislation, but advised that the provisions contained within the draft Bill were not fully human rights compliant in law and practice. In particular, we raised concerns about the remit, resourcing, independence and use of closed material proceedings regarding the Historical Investigations Unit. Our recommendations included that further consideration was needed of the remits and operations of the Independent Commission of Information Retrieval, Oral History Archive and Implementation and Reconciliation Group.

The Commission continued throughout the year to develop its partnerships with the Commonwealth Games Council and the Irish Football Association. This work included delivering training to the football association on women and girls and the right to participate. Following the loss of the Belfast 2021 Commonwealth Youth Games in June 2018, we refocused our business target to assist in drafting a Northern Ireland Declaration on Sport and Human Rights. The Declaration will be launched in the first half of 2018-19 with the support of five sports governing bodies; the Commonwealth Games Council, the Irish Football Association, the Odyssey Trust (Belfast Giants), Ulster Gaelic Athletic Association and Ulster Rugby. The new financial year will also see the first meeting of the Northern Ireland Sport and Human Rights Forum.

The Commission marked the 20th anniversary of the Belfast (Good Friday) Agreement by hosting a joint event with the Equality Commission for Northern Ireland. Lord Alf Dubs provided the key note speech at the event on: 'A life in Politics: Advocating for Human Rights and Equality'. We also sought to engage the public through our continued participation in Belfast Culture Night and in September we partnered with Seedhead Arts' annual event, 'Hit the North Street Art Festival'. A talented local artist, Emic, developed a mural to mark the 70th anniversary of the Universal Declaration of Human Rights. Emic's art is displayed beside the Commission's office.

Pillar three: Social and economic rights in a time of change

As a result of budgetary reductions the Commission was unable to exercise its powers to conduct an investigation in 2018. However, we continued to press for the implementation of 45 recommendations made in our traveller accommodation report published in March. This included a number of systemic issues such as, the inadequacy of travellers' sites, concern over racial discrimination, resource availability, and insufficient participation in decision making. The follow up to this investigation will be completed with the publication of a 12 month review in first half of 2019. In September 2018 the Commission, in partnership with Ulster University, published research on the experience of those who take or defend civil

and family law cases without legal representation and highlighted the difficulties individuals face in court. The recommendations provided a road map for lawyers, judges, administrators and personal litigants to tackle the issues identified. We have continued to engage with the Department of Justice in advocating a full implementation of the recommendations.

Throughout the year the Commission conducted a series of visits to places of detention including Woodlands Juvenile Justice Centre, HMP Maghaberry, HMP Magilligan, Hydebank Wood College and the Women's facility. Informed by these visits in November 2018, the Commission hosted a roundtable on the rights of older and disabled prisoners to social care with key statutory agencies attending.

The Commission attended the United Nations Commission on Status of Women's 2019 session on social protection systems, access to public services and sustainable infrastructure for gender equality and the empowerment of women and girls. At the session we presented the outcome of our Supreme Court legal case challenging Northern Ireland's termination of pregnancy laws.

Corporate

The Commission held weekly advice clinics throughout 2018-19 and assisted a large number of individuals on a broad range of issues. In addition, we assisted a smaller number of individuals in legal proceedings. An example of this work was the support provided to individual to institute judicial review proceedings in respect of the retention of biometric data by the Police Service of Northern Ireland. These proceedings were settled with the PSNI agreeing to destroy the individual's fingerprints and DNA material; to produce a formal policy document on biometric data retention within 12 months of the date of final settlement order taking into account the right to private and family life of the European Convention on Human Rights and providing members of the public with express guidance as to how they can seek to have their biometric data destroyed.

On 7 June 2018 the Supreme Court delivered its judgement on judicial review proceedings initiated by the Commission against the Department of Justice. In its pleadings the Commission maintained that the law on termination of pregnancy in Northern Ireland violates the rights of women and girls by criminalising them when they seek a termination of pregnancy in circumstances of fatal and serious foetal abnormality, rape or incest.

The Supreme Court held that the Commission did not have the standing to take the case without a victim. It, nonetheless, also gave its views on the substantive issues. The Court concluded the current law in Northern Ireland breaches human rights, in particular women and girls' right to private and family life in cases of fatal foetal abnormality, rape and incest.

Throughout the business year the Commission has continued to advise government on legislative measures necessary to ensure compliance with human rights obligations. Examples include our response to Northern Ireland Office on the continued provision for non-jury trials and advice to the Executive Office on stalking, compensation for victims of institutional abuse and provision for looked after children. The Commission also submitted evidence to the independent review of the arrangements to deliver justice in serious sexual offence cases.

We engaged extensively with the Westminster Parliament during 2018-19. Examples include, briefing the Lords and Members of Parliament during the passage of the European (Withdrawal) Bill, providing advice to the House of Commons Standing Committee on the Immigration and Social Security Coordination Bill, evidence alongside the Equality and Human Rights Commission to the House of Lords European Union Justice Sub-Committee as part of its inquiry into 'Rights after Brexit'.

Throughout this year the Commission has continued to support the work of European Network of National Human Rights Institutions and the Global Alliance of National Human Rights Institutions by participating in working groups and supporting specific initiatives that relate to our work. In March 2019 the Chief Commissioner presented to the Annual meeting of the Global Alliance in Geneva, setting out our work on reproductive healthcare rights of women and girls. This year we also complete our term of office as vice chair of the Global Alliance's Working Group on Ageing.

The Commission strives to promote the importance of human rights as widely as possible. With limited resources we use a range of channels to communicate our work, including issuing press statements, holding events and hosting community and school visits. We also maintain a range of platforms including our website, Twitter, Facebook, YouTube and Instagram accounts to ensure our work is open and transparent.

The Commission worked in partnership with its stakeholders to promote and raise awareness of human rights through visual arts throughout 2018-19. We developed a series of educational animations on procurement and human rights with the Department of Finance and on sport and human rights with the Commonwealth Games Council. We were also delighted to partner with the Northern Ireland Commission for Children and Young People and the Global Initiative to End All Corporal Punishment of Children on a separate animation highlighting the need to end corporal punishment in Northern Ireland. This work will be launched in the first half of 2019.

Key risks facing the Northern Ireland Human Rights Commission

This year the Commission will, subject to resources, move premises. We have been based in North Street, Belfast, since our inception. But planned development in the area combined with a need for increased space to address the challenge of protecting human rights in the context of the United Kingdom's withdrawal from the European Union means a relocation is now necessary.

More so than ever, the Commission recognises we need to exercise self-restraint in the breadth of our work and take time to prepare for the new tasks facing us. Organising to meet the challenges of leaving the European Union and ensuring no-diminution of human rights will require changes in operation and structure. The government has committed to enabling this work by enhancing our powers and duties in Westminster legislation, and providing the necessary increase in resources for this purpose.

At the same time as preparing for the proposed changes to enhance our role, the Commission faces yet another round of budget cuts. This is the eighth recurrent annual decrease. Over the years we have reduced staffing numbers on four occasions and there has been a significant impact on programme costs.

A budget of £1,634,918 in 2010 considered necessary for the Commission to effectively operate as envisaged by the Belfast (Good Friday) Agreement has been reduced by over one third to the current sum of £1,074,000. When annual inflation is taken into account the budget in 2019-20 should have been set at over £2 million. This means in real terms the Commission has faced a cut of almost one half of its grant-in-aid since 2010.

In response to further cuts we will seek to maintain what is the minimum number of 14 staff, but to do so additional reductions in our research (investigation) and legal budgets will be required.

The Commission is no longer in a financial position to exercise its investigatory powers through initiating a human rights public inquiry. Given the resource implications and budget available in 2018-19 this power is now severely compromised.

In addition, the Commission will need to seek business case approvals from the Northern Ireland Office in an attempt to secure additional resources before supporting legal cases that challenge human rights violations. This raises concerns regarding institutional independence and presents practical difficulties such as ensuring time limits imposed for issuing judicial review proceedings are adhered to.

The decisions the Commission has made to enable its continued operation in 2019-20 were taken reluctantly. We remain acutely aware that the

requirement to meet further budget cuts raises fundamental concerns regarding our effectiveness, maintaining independence and ability to realise the institution's purpose first envisaged in the Belfast (Good Friday) Agreement.

In addition to the risks facing the Commission that derive from insufficient resources, a priority this year is to make certain the restoration of our powers to initiate strategic own motion legal challenges, without a victim. The case on termination of pregnancy before the Supreme Court in 2018 identified an error in the understanding of the law providing powers to take such cases in our name which the government has recognised and committed to repairing through legislation at the first opportunity. This is of vital importance to our operation, and any failure or delay in resolving the matter in 2019 would further undermine our standing as a National Human Rights Institution.

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 six part time Commissioners and one Chief Commissioner, ten permanent staff and four temporary staff.

For 2018-19 the Commission had a core budget of £1,099,000, and received additional funding of £58,200 in-year to support the Joint Committee with the Irish Human Rights and Equality Commission, committed to in the Belfast (Good Friday) Agreement. This was funded by grant-in-aid from Parliament through our sponsor branch, the Northern Ireland Office.

Having faced nearly a decade of budget cuts the Commission sought to shield its core business, but was unable to do so this year without compromising the ability to fulfil statutory obligations and appropriately utilise our powers.

We have nonetheless continued to deliver a substantive programme of work, protecting and promoting the human rights of everyone in Northern Ireland. In doing so, the Commission has delivered outcomes worthy of a much larger and better resourced institution.



Dr David Russell
Accounting Officer

Date: 8 July 2019

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 uniquely 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 and sections 14 to 16 of the Justice and Security (Northern Ireland) Act 2007.

The Commission is located at 39 North Street, Belfast, BT1 1NA and its sponsor branch is the Northern Ireland Office located at Stormont House, Stormont Estate, Belfast, BT4 3SH.

Commissioners and Management Team

The Commission is governed by its Commissioners. The following served as Commissioners during 2018-19:

- Les Allamby
- Helen Ferguson
- Helena Macormac
- Paul Mageean
- John McCallister
- Eddie Rooney
- Graham Shields 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 2018-19.

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 four times during the year.

The Audit and Risk Management Committee 2018-19 comprised:

- Joe McKnight, Independent Chairperson
- Helen Ferguson
- Eddie Rooney
- Graham Shields, OBE

The Chief Executive, Director (Finance, Personnel and Corporate Affairs), Internal Auditor and External Auditor attend Audit and Risk Management Committee meetings.

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

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 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 refresher training in 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. It also benchmarks itself against practice in sister organisations, through discussion between the Chair of the Audit and Risk Management Committee and his counterparts. The Audit and Risk Management committee reports at least annually to the full Commission board and their papers are available to all Commissioners.

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 the Commission bi-monthly and 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.

The risk register was updated in 2018-19 in relation to financial risk and failure to meet accounting performance. The Audit and Risk Management Committee raised concerns regarding the level of reporting for a small organisation with a small team, and it was noted that this risk should be mitigated with the proposed plan to move to Account NI in 2019-20.

As it is proposed that the Commission will be mandated as a 'dedicated mechanism', alongside the Equality Commission for Northern Ireland and the Irish Human Rights and Equality Commission, it was agreed to update the Commission's risk register to include this as an additional risk as it carries reputational risk to the organisation as well as resource implications. The risk will continue to be monitored throughout 2019-20 and updated as required.

There were no complaints to the Parliamentary Ombudsman in 2018-19 (2017-18: None).

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 Commissioner 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.

The Commission participated in NIO led information security sessions and complied with all recommendations and requirements arising.

There were no personal data related incidents formally reported to the Information Commissioner's Office in 2018-19 (2017-18: None).

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 £15,000 (2017-18: £15,000).

The Commission's internal audit is provided independently by Grant Thornton.

Creditor payment, policy and performance

Monthly statistics submitted to the Northern Ireland Office highlight that the Commission has paid 99.7 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 (2017-18: 95.8 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.

The number of days lost due to absence in this business year has increased, but this figure can be affected given the small size of the organisation. However, it should be noted that the number of days lost due to absence remains well below the average in the public sector.

The percentage of working days lost in 2018-19 was 5 per cent or an average of 11.6 days a year per employee (2017-18: 2.2 per cent and 5.1 days respectively).



Dr David Russell
Accounting Officer

Date: 8 July 2019

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).

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, which was reviewed and formalised in September 2018. 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.

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 14 times during the reporting period which included three special Commission meetings.

The following served as Commissioners from 1 April 2018 - 31 March 2019

	Meetings attended
Les Allamby	14/14
Helen Ferguson	14/14
Helena Macormac	13/14
Paul Mageean	14/14
John McCallister	13/14
Eddie Rooney	12/14
Graham Shields OBE	13/14

Audit and Risk Management Committee Meetings

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

	Meetings attended
Joe McKnight	4/4
Helen Ferguson	4/4
Eddie Rooney	4/4
Graham Shields OBE	4/4

The Audit and Risk Management Committee comprises an independent Chairperson, who has extensive financial management experience at a senior level in the private sector, who 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, Audit and Risk Management Committee minutes are tabled at Commission meetings and the Committee reports annually to the Commission. Furthermore, the Chairperson has direct access to the Chief Executive and Chief Commissioner as appropriate.

The Audit and Risk Management Committee reviews its effectiveness by assessing its operation and constitution 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.

It also benchmarks itself against practice elsewhere, through discussions between the Chair of the Audit and Risk Management Committee and his counterparts in sister organisations.

The Chair meets annually with the Chair of the Northern Ireland Office's Audit and Risk Management Committee. This is an opportunity to receive feedback from the Northern Ireland Office as well as discuss any risks facing the Commission and the controls in place to help mitigate those risks.

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.

During this year the Commission Board has met fourteen times. Commission minutes have been made available and the Chair of the Audit and Risk Management Committee reported to the Commission meeting in September 2018.

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 2018-19, 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 2016-19 formed the basis for the Business Plan objectives for 2018-19 and reflected the Commission's statutory duties and functions. The 2018-19 Business Plan can be found at <http://www.nihrc.org/publication/detail/our-business-plan-2018-2019>

During 2018-19 the Commission held a number of stakeholder events to assist with the development of its Strategic Plan for 2019-2022 and to set out the Commission's priorities for the immediate future. The Strategic Plan for 2019-2022 was published in April 2019 and can be found on the Commission's website at <http://www.nihrc.org/publication/detail/northern-ireland-human-rights-commission-strategic-plan-2019-22>

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 2019 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 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 Commission 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 2018-19 the main risks were financial and reputational risks, including failure to operate within budget given the reductions in grant-in-aid and the subsequent impact on staffing and operating costs. As the Commission has been identified as a potential dedicated mechanism under Article 4 of the draft withdrawal agreement an additional risk was added to the risk register in 2018-19. The risk has been managed and the Commission continues to liaise with its sponsor department. No significant control issues have materialised.

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. 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.

Commissioners and senior management completed fraud awareness e-learning during 2018-19.

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

The Commission's Internal Auditors are Grant Thornton. The services provided by Grant Thornton operate to standards defined by the Public Sector Internal Audit Standards.

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

A revised Internal Audit Strategy for 2018-19 and a revised Audit Plan for 2018-19 was drafted and presented to the Audit and Risk Management Committee meeting in December 2018 for approval. The internal audits for 2018-19 focused on the following areas:

- Corporate Governance (Equality Scheme)
- GDPR

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 to the Audit and Risk Management Committee, 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 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 2017-18 accounts.

During the year the National Audit Office took the decision to appoint EY to undertake some external audit functions on their behalf. The Committee took assurance from the National Audit Office that there would be a managed transition.

The Committee will continue to work closely with the external auditors in the next reporting period.

Corporate Governance

The Commission conducts its affairs in accordance with a Code of Governance prepared in line with the Cabinet Office 'Code of Best Practice for Board Members of Public Bodies'. 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 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 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.

Personal data related incidents

No personal data related incidents were reportable to the Information Commissioner's Office in 2018-19 (2017-18: None).

Significant internal control weaknesses

There were no significant weaknesses in the Commission's systems of internal controls in 2018-19 that affected the achievement of the Commission's key policies, aims and objectives.



Dr David Russell
Accounting Officer

Date: 8 July 2019

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* (applicable from April 2013). 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 are Commissioners Helen Ferguson, Eddie Rooney and Graham Shields. 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. 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) ¹		Total (£'000)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Mr Les Allamby Chief Commissioner	70-75	65-70	0	0	28,000	27,000	100-105	95-100
Ms Helen Ferguson Commissioner	5-10	0-5 ²	0	0	0	0	5-10	0-5 ¹
Ms Helena Macormac Commissioner	5-10	0-5 ¹	0	100	0	0	5-10	0-5 ¹
Mr Paul Mageean Commissioner	5-10	0-5 ¹	0	0	0	0	5-10	0-5 ¹
Mr John McCallister Commissioner	5-10	0-5 ¹	400	300	0	0	5-10	0-5 ¹
Mr Eddie Rooney Commissioner	5-10	0-5 ¹	0	0	0	0	5-10	0-5 ¹
Mr Graham Shields OBE Commissioner	5-10	0-5 ¹	500	200	0	0	5-10	0-5 ¹
Mr Joseph McKnight Chair of the Audit and Risk Management Committee	0-5 ³	0-5 ⁴	0	0	0	0	0-5 ²	0-5 ³

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

² The figure quoted is for the period 1 September 2017 to 31 March 2018. The full year equivalent is £5-10k.

³ Charges a fee which is processed through the Commission's payroll.

⁴ Figure quoted is for the period 1 August 2017 to 31 March 2018. The full year equivalent is £0-5k. Charges a fee which is processed through the Commission's payroll.

Dr David Russell Chief Executive	65-70	65-70	0	0	25,000	48,000	90-95	115-120
Mr Colin Caughey Director	45-50	45-50	0	0	20,000	20,000	65-70	65-70
Mrs Lorraine Hamill Director	45-50	45-50	0	0	17,000	36,000	65-70	80-85
Ms Claire Martin Director	45-50	45-50	0	0	17,000	37,000	65-70	85-90

No performance related pay or bonus payments have been made in 2018-19 (2018-19: £nil).

Fair Pay Disclosure – (audited information)

	2018-19	2017-18 Restated
	£'000	£'000
Band of highest paid employee's total remuneration	70-75	65-70
Median Total Remuneration	30.1	29.3
Median Ratio	2.4	2.3

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 and Irish Governments and the Independent Reporting 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 2018-19 was £70,000-£75,000 (2017-18: £65,000-£70,000). This was 2.4 times (2017-18: 2.3) the median remuneration of the workforce, which was £30,149 (2017-18: £29,317).

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 2018-19 (2017-18: £nil)

Salary

'Salary' includes gross salary, overtime; and any other allowance subject to UK taxation. No performance related pay or bonus payments were made in year (2017-18: £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 2018-19 financial year were £972 (2017-18: £1,342).

There were no non-cash benefits made during the 2018-19 financial year (2017-18: None)

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 £16,063 (2017-18: £15,557, which included an accrual of £317 due as a result of a back dated pay award).

No further pension contributions were made for Commissioners in the year ended 31 March 2019 (2017-18: £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 2019 (2017-18: £nil).

Management Team

	Accrued pension at pension age as at 31/3/19	Real increase in pension and related lump sum at pension age	CETV at 31/3/19	CETV at 31/3/18	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Les Allamby Chief Commissioner	5-10	0-2.5	120	84	21	0
David Russell Chief Executive	15-20	0-2.5	216	170	10	0
Colin Caughey Director	5-10	0-2.5	56	38	7	0
Lorraine Hamill Director	10-15	0-2.5	156	128	9	0
Claire Martin Director	10-15	0-2.5	117	92	6	0

The pension information for the senior management team follows guidance in the Employer Pension Notice EPN571 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 moved to alpha from 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1

April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those 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. (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 'money purchase' stakeholder 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 a stakeholder pension arrangement. The employer makes a basic contribution of between 8 per cent and 14.75 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3 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.

Staff Report

Staff numbers and related costs (audited information)

	2018-19 total	Commissioners	Permanently Employed	Others	2017-18 total
	£	£	£	£	£
Wages and salaries	611,254	117,682	404,431	89,141	578,205
Social security costs	59,932	8,877	43,693	7,362	55,511
Other pension costs	119,783	16,063	86,942	16,778	109,022
Total Staff Costs	790,969	142,622	535,066	113,281	742,738

There were no inward seconded staff during 2018-19 (2017-18: 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 £16,063 payable in respect of Commissioners (2017-18: £15,557) are described in the Remuneration Report.

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 (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2018-19, employers' contributions of £119,783 were payable to PCSPS (2017-18: £109,022 (£107,538 and an accrual of £1,484 as a result of a back dated pay award)) at one of four rates in the range 20 per cent to 24.5 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2018-19 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 panel of three appointed stakeholder pension providers (2017-18: £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 centrally-provided risk benefit cover (death in service and ill-health retirement) (2017-18: £Nil).

The expected employer pension contributions to the Principal Civil Service Pension Scheme for 2019-20 is estimated at £170,920. The excessive increase is mainly due to the increase in the Accruing Superannuation Liability Charges (ASLC) rates for each of the bands. Band one has increased from 20 per cent to 26.6 per cent and band four has increased from 24.5 per cent to 30.3 per cent.

There was no staff who retired early on ill-health grounds during 2018-19.

Number of Senior Civil Service Staff

Grade of Senior Civil Servant	2018-19 Number of Staff	2017-18 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:

	2018-19 total	Commissioners	Permanently Employed	Others	2017-18 Total
Directly employed	21	7	10	4 ⁵	20
Other	1	0	0	1 ⁶	1
Total	22	7	10	5	21

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

Managing Attendance

Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 11.6 days per employee in 2018-19 (2017-18: 5.1 days). The marked increase in sickness absence is due to long-term sick absence of one member of staff.

Expenditure on Consultancy

There was no expenditure on consultancy in 2018-19 (2017-18: £nil).

⁵ Refers to temporary staff who receive a pension

⁶ Refers to the Chair of the Audit and Risk Management Committee who is not a member of staff and does not receive a pension

Losses or Special Payments (audited information)

The Commission had no losses or special payments in 2018-19 (2017-18: £nil).

Off-payroll engagements

There were no off-payroll engagements in 2018-19 (2017-18: £nil)

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

There were no exit packages in 2018-19 (2017-18: £nil).



Dr David Russell
Accounting Officer

Date: 8 July 2019

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 £15,000 (£15,000 in 2017-18). The auditors received no fees for non-audit services (2017-18: £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 All expenditure was applied to the purpose intended by Parliament (audited).
- 1.3 No fees or charges were paid by the Northern Ireland Human Rights Commission (audited).
- 1.4 The Northern Ireland Human Rights Commission has no remote contingent liabilities (audited).
- 1.5 The Northern Ireland Human Rights Commission's total expenditure in 2018-19 was £1,135,651. The net expenditure for prior years was as follows:

Expenditure and income

	2018-19 £000	2017-18 £000	2016-17 £000	2015-16 £000
Expenditure	1,135	1,210	1,220	1,190
Income	<u>-34</u>	<u>-33</u>	<u>-113</u>	<u>-94</u>
Net Expenditure	1,101	1,177	1,107	1,096



Dr David Russell
Accounting Officer

Date: 8 July 2019

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 2019 under the Northern Ireland Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

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 2019 and of net operating expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Northern Ireland Act 1998 and Secretary of State directions issued thereunder.

Opinion on 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. 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 2016. I am independent of the Northern Ireland Human Rights Commission in accordance with the ethical requirements that are relevant to my audit and 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

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that 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 the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Commission and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Commission and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northern Ireland Human Rights Commission's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 that I identify during my audit.

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

Other Information

The Commission and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, 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, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Northern Ireland Act 1998;
- 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 any material misstatements in the Performance Report or the Accountability Report; and
- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date

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

Financial Statements for the Year Ended 31 March 2019

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2019

	Notes	2018-19 £	2017-18 £
Expenditure			
Staff costs	3	790,969	742,738
Other operating costs	4	313,592	446,558
Depreciation, amortisation and impairment	4	29,210	21,110
Loss on disposal of intangible asset	4	1,880	0
Total operating expenditure		<u>1,135,651</u>	<u>1,210,406</u>
Income			
Other income	5	(34,279)	(33,236)
Total operating income		<u>(34,279)</u>	<u>(33,236)</u>
Net operating expenditure for the year ended 31 March		<u>1,101,372</u>	<u>1,177,170</u>
Other comprehensive net expenditure			
Net loss on revaluation of property, plant and Equipment	6	<u>23</u>	<u>2,527</u>
Comprehensive net expenditure for the year		<u>1,101,395</u>	<u>1,179,697</u>

All amounts above relate to continuing activities.

The notes on pages 53 to 66 form part of the financial statements.

Statement of Financial Position as at 31 March 2019

		31 March 2019		31 March 2018	
	Notes	£	£	£	£
Non-current assets:					
Property, plant and equipment	6		12,579		25,285
Intangible assets	7		<u>22,005</u>		<u>31,842</u>
Total non-current assets			34,584		57,127
Current assets:					
Trade and other receivables	9	23,473		37,575	
Cash and cash equivalents	10	<u>320,523</u>		<u>287,647</u>	
Total current assets			343,996		325,222
Total assets			<u>378,580</u>		<u>382,349</u>
Current liabilities:					
Trade and other payables	11		135,350		134,924
Provisions - legal	12		<u>0</u>		<u>60,000</u>
Total current liabilities			135,350		194,924
Total assets less current liabilities			<u>243,230</u>		<u>187,425</u>
Assets less total liabilities			<u>243,230</u>		<u>187,425</u>
Taxpayers' equity					
General reserve			245,780		189,952
Revaluation reserve			<u>(2,550)</u>		<u>(2,527)</u>
			<u>243,230</u>		<u>187,425</u>

The notes on pages 53 to 66 form part of the financial statements.

The financial statements on pages 49 to 66 were approved by the Commission on 24 June 2019:

Dr David Russell
Accounting Officer

Date: 8 July 2019

Statement of Cash Flows for the Year Ended 31 March 2019

	Notes	2018-19 £	2017-18 £
Cash flows from operating activities			
Net operating expenditure		(1,101,372)	(1,177,170)
Decrease in trade and other receivables	9	14,102	137,935
Increase/(decrease) in trade payables	11	426	(50,364)
Depreciation, amortisation and impairment	4	29,210	21,110
Adjustment for loss on disposal of intangible asset	4	1,880	0
Decrease in provisions	12	(60,000)	(2,400)
Net cash outflow from operating activities		(1,115,754)	(1,070,889)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(6,336)	(1,424)
Purchase of intangible assets	7	(2,234)	(13,318)
Net cash outflow from investing activities		(8,570)	(14,742)
Cash inflow from financing activities			
Funding from parent department		1,157,200	1,124,000
Net cash inflow from financing activities		1,157,200	1,124,000
Net increase in cash and cash equivalents in the period	10	32,876	38,369
Cash and cash equivalents at the beginning of the period	10	287,647	249,278
Cash and cash equivalents at the end of the period	10	320,523	287,647

The notes on pages 53 to 66 form part of the financial statements.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2019

	General Reserves £	Revaluation Reserves £	Total Reserves £
Balance at 31 March 2017	243,122	0	243,122
Comprehensive net expenditure for the year	(1,177,170)	(2,527)	(1,179,697)
Grant-in-aid from NIO	1,124,000	0	1,124,000
Balance at 31 March 2018	189,952	(2,527)	187,425
Changes in taxpayers' equity for 2018-19			
Comprehensive net expenditure for the year	(1,101,372)	0	(1,101,372)
Net loss on revaluation of property	0	(23)	(23)
Grant-in-aid from NIO	1,157,200	0	1,157,200
Balance at 31 March 2019	245,780	(2,550)	243,230

The notes on pages 53 to 66 form part of the financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2019

1. Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) for 2018-19, 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 2019 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 1.8.

(ii) Impairment of property, plant and equipment

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

(iii) 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 2019

The Commission has reviewed the standards, interpretations and amendments to the International Financial Reporting Standards (IFRS) included in the 2018-19 Government Financial Reporting Manual (FReM) and which are relevant to its operations. The Commission considers that the adoption of these standards has not had a significant impact on its results or financial position.

IFRS 9 – Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard was adopted from 1 January 2018 and applied from 1 April 2018. IFRS 9 provides a more principles based approach, including the classification and measurement of financial assets and liabilities. The Commission considers that the adoption of these standards has not had a significant impact on its results or financial position.

IFRS 15 – Revenue from Contracts with Customers replaces IAS 18 Revenue. The standard was adopted from 1 January 2018 and applied from 1 April 2018. The core principle of this standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The income recognition introduced by IFRS 15 is consistent with how the Commission previously accounted for

income and there is no impact of the new standard on opening balances.

Revenue from contracts with customers – the Commission had recognised income from contracts with a number of organisations including local government. Income is recognised when the obligations associated with the contract have been satisfied.

Further details of the Commission’s application of IFRS 15 are set out in note 1.5 and note 5.

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 16 – Leases replaces IAS 17 Leases and related interpretations and has 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, it is expected that IFRS 16 will be adopted by the FReM with effect from 1 April 2020.

The Commission expects IFRS 16 to have a material impact on future accounts as we bring current operating leases on to the Statement of Financial Position.

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.

The Commission had recognised income from contracts with a number of organisations including local government which is recognised when the obligations associated with the contract have been satisfied.

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

Income received from the Nuffield Foundation was for a grant to jointly fund a project on Litigants in Person with the University of Ulster. The Commission entered into an Academic Collaboration Agreement with the University of Ulster and the Nuffield Foundation. The funding covered a period of 18 months from October 2016 to March 2018. As the conference for the project did not take place until September 2018, funding for the last six months of the project was received in 2018-19.

The income of £13,500 received from the Irish Human Rights and Equality Commission (IHREC) was for recovery of the full cost of research on behalf of the Joint Committee (NIHRC and IHREC) on Evolving Justice Arrangements Post Brexit. The Commission tendered for and appointed the researchers on behalf of the Joint Committee, to carry out the research.

Further details of the Commission's application of IFRS 15 are set out in note 5.

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 Temple Court, 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 cost 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 2019. The current lease was negotiated in July 2015 and was for a period of five years until 30 June 2020.

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 Intangible Assets

Computer software licences with a value of over £1,000 are capitalised as intangible assets and depreciated on a straight line basis over the life of the licences.

Website development is also capitalised as intangible assets where expenditure of £1,000 or more is incurred and is depreciated on a straight line basis over five years.

1.9 Operating leases

Rentals payable under operating leases are charged against

the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term. The current lease was renewed on 1 July 2015.

1.10 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. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

1.11 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.

1.12 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.

1.13 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 £17,625 (2017-18: £11,443).

1.14 Going concern

The future financing of the Commission's liabilities will be met by the NIO. The Commission's budget for 2019-20 has been made available to the NIO and it has been considered appropriate to adopt a going concern basis for the preparation of the 2018-19 financial statements.

2. Analysis of net expenditure by segment

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

3. Staff costs⁷

	2018-19 total	Commissioners	Permanently Employed	Others	2017-18 total
	£	£	£	£	£
Wages and salaries	611,254	117,682	404,431	89,141	578,205
Social security costs	59,932	8,877	43,693	7,362	55,511
Other pension costs	119,783	16,063	86,942	16,778	109,022
Total Staff Costs	790,969	142,622	535,066	113,281	742,738

⁷ Average number of persons employed can be found in the staff report on page 42.

4. Other expenditure

	2018-19	2017-18
	£	£
Advertising, publicity and publications	30,611	45,810
Auditor's (NAO) remuneration	15,000	15,000
Building maintenance and expenses	24,535	23,168
Commonwealth Forum	1,522	17,699
Conferences and seminars	21,849	7,425
Education	3,642	0
Insurance	5,588	5,764
Internal audit	10,375	15,126
Investigations	20,862	8,320
IT	36,537	28,204
Joint Committee	12,469	81
Legal casework (non-recoverable)	(20,516)	119,625
Light and heat	16,001	9,862
Other expenses	36	1,336
Printing, postage and stationery	10,303	12,953
Professional fees	22,158	20,437
Rates	18,092	17,756
Rentals under operating leases	38,400	38,400
Rental for car park	1,020	1,176
Staff training and recruitment	6,819	15,194
Telephone	12,632	16,617
Travel, subsistence and hospitality	25,657	26,605
	<u>313,592</u>	<u>446,558</u>
Non-Cash Items:		
Depreciation, Amortisation and Impairment	29,210	21,110
Loss on disposal of intangible asset	1,880	0
	<u>344,682</u>	<u>467,668</u>

5. Income

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

	2018-19 £	2017-18 £
Foreign Commonwealth Office Funded Project for Commonwealth Forum of National Human Rights Institutions (CFNHRI)	0	52,072
Joint funding with the Ulster University for Litigants in Person Project	16,280	4,281
Contribution from Department of Finance re NICS Website Support	4,499	918
Removal of accrued income received re legal case	0	(24,035)
Joint Committee funded work on Evolving Justice Arrangements Post Brexit (funding received from the Irish Human Rights and Equality Commission)	13,500	0
Total	34,279	33,236

In line with its accounting policy, the Commission has applied the requirements of IFRS 15 to income received from sources other than the NIO.

The income received in 2018-19 for the jointly funded project with the Ulster University for a Litigants in Person Project was the balance due from a two-year funded project. It was due to end in March 2018 but was carried over into 2018-19 to complete the project and launch the research in September 2018. The Commission entered into an Academic Collaboration Agreement with the University of Ulster and the Nuffield Foundation for the project and the remaining income was only recognised when the performance obligations of completion and launch of the research had been satisfied.

The contribution received from the Department of Finance in 2018-19 was funding to enable the Commission to provide support to update the human rights E-learning on the Northern Ireland Civil Service website which would be used by Civil Service employees. The Commission entered into a contract with the Department of Finance for the reimbursement of staff costs and associated costs to update the E-learning on their website. Income from the contract was only recognised

when the performance obligation to update the E-learning on the Northern Ireland Civil Service website had been satisfied.

The Commission received £13,500 from the Irish Human Rights and Equality Commission (IHREC) in respect of research that was being conducted on behalf of the Joint Committee. The Commission, on behalf of the Joint Committee, tendered for and appointed the researchers to carry out the work. A letter of agreement was issued by the Commission to the successful researchers, which formed the contract to carry out the research on behalf of the Joint Committee. The research was completed in March 2019 and is due to be published in July/August 2019. The income from IHREC was recognised when the performance obligation to tender and appoint researchers on behalf of the Joint Committee had been satisfied.

6. Property, plant and equipment

2018-19	Leasehold Improvements	Information technology	Furniture & fittings	Education Project IT	Total
Cost or valuation	£	£	£	£	£
At 1 April 2018	192,215	64,981	164,722	1,874	423,792
Additions	2,142	0	4,194	0	6,336
Disposals	0	0	0	(1,874)	(1,874)
Impairment	0	0	0	0	0
Revaluation	(64)	0	0	0	(64)
At 31 March 2019	194,293	64,981	168,916	0	428,190
Depreciation					
At 1 April 2018	184,509	57,221	154,903	1,874	398,507
Charged in year	6,218	6,951	3,839	0	17,008
Prior year adjustment	2,011	0	0	0	2,011
Disposals	0	0	0	(1,874)	(1,874)
Impairment	0	0	0	0	0
Revaluation	(41)	0	0	0	(41)
At 31 March 2019	192,697	64,172	158,742	0	415,611
Net book value at 31 March 2019	1,596	809	10,174	0	12,579
Net book value at 31 March 2018	7,706	7,760	9,819	0	25,285
Asset financing:					
Owned	1,596	809	10,174	0	12,579
Finance leased	0	0	0	0	0
Net book value at 31 March 2019	1,596	809	10,174	0	12,579

2017-18	Leasehold Improvements	Information technology	Furniture & fittings	Education Project IT	Total
Cost or valuation	£	£	£	£	£
At 1 April 2017	194,742	63,557	164,722	1,874	424,895
Additions	0	1,424	0	0	1,424
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Revaluation	(2,527)	0	0	0	(2,527)
At 31 March 2018	192,215	64,981	164,722	1,874	423,792
Depreciation					
At 1 April 2017	181,923	49,484	151,634	1,874	384,915
Charged in year	2,586	7,737	3,269	0	13,592
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
At 31 March 2018	184,509	57,221	154,903	1,874	398,507
Net book value at 31 March 2018	7,706	7,760	9,819	0	25,285
Net book value at 31 March 2017	12,819	14,073	13,088	0	39,980
Asset financing:					
Owned	7,706	7,760	9,819	0	25,285
Finance leased	0	0	0	0	0
Net book value at 31 March 2018	7,706	7,760	9,819	0	25,285

7. Intangible Assets

Cost or valuation	Software & Licences 2018-19 £	Software & Licences 2017-18 £
at 1 April	45,203	31,885
Additions	2,234	13,318
Disposals	(5,734)	0
at 31 March	41,703	45,203
Amortisation		
at 1 April	13,361	5,843
Charged in year	10,191	7,518
Disposals	(3,854)	0
at 31 March	19,698	13,361
Net book value at 31 March	22,005	31,842

8. 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.

9. Trade receivables and other current assets

	2018-19	2017-18
	£	£
Amounts falling due within one year:		
Trade Receivables	4,928	22,535
Prepayments and accrued income	18,545	15,040
	<u>23,473</u>	<u>37,575</u>

10. Cash and cash equivalents

	2018-19	2017-18
	£	£
Balance at 1 April	287,647	249,278
Net change in cash and cash equivalent balances	32,876	38,369
	<u>320,523</u>	<u>287,647</u>
Balance at 31 March		
The following balances at 31 March were held at:		
Commercial banks and cash in hand	320,523	287,647
	<u>320,523</u>	<u>287,647</u>

11. Trade payables and other current liabilities

	2018-19	2017-18
	£	£
Amounts falling due within one year:		
Taxation and social security	17,502	14,004
Trade payables	9,496	27,142
Other payables	1,480	3,473
Accruals	106,872	84,496
Deferred income	0	5,809
	<u>135,350</u>	<u>134,924</u>

12. Provisions for liabilities and charges

	2018-19 £ Legal	2018-19 £ Total	2017-18 £ Legal	2017-18 £ Total
Balance at 1 April	60,000	60,000	62,400	62,400
Provided in the year	0	0	60,000	60,000
Provision utilised in the year	0	0	(62,400)	(62,400)
Provision written off in the year	(60,000)	(60,000)	0	0
Balance at 31 March	0	0	60,000	60,000

The amount of £60,000 provided for in 2017-18 was a provision for costs for the Commission to take a legal case to the Supreme Court in Strasbourg. The case did not proceed and the provision was written off in 2018-19.

13. Commitments under leases

13.1 Operating leases

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

	2018-19 £	2017-18 £
Buildings		
Not later than one year	38,400	38,400
Later than one year and not later than five years	9,600	48,000
Later than five years	0	0
	<u>48,000</u>	<u>86,400</u>

The above lease ends on 30 June 2020.

13.2 Finance leases

The Commission does not have any finance leases.

14. Contingent liabilities disclosed under IAS 37

The Commission has no contingent liabilities as at 31 March 2019.

15. Capital Commitments

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

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.

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.

CCS0719571412
978-1-5286-1491-7