



ANNUAL REPORT AND ACCOUNTS

2021-22

INDEPENDENT REPORTING COMMISSION
ANNUAL REPORT AND ACCOUNTS 2021-22
(For the period ended 31 March 2022)

Presented to Parliament pursuant to Regulation 3(2) of the Northern
Ireland (Stormont Agreement and Implementation Plan) Act 2016
(Independent Reporting Commission) Regulations 2016

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CONTENTS

PERFORMANCE REPORT	2
OVERVIEW	3
PURPOSE OF THE INDEPENDENT REPORTING COMMISSION.....	5
FINANCIAL STATEMENTS	14
COMMISSION'S ACTIVITIES.....	14
OUR PERFORMANCE.....	18
KEY RISKS AND ISSUES	27
ACCOUNTABILITY REPORT.....	29
DIRECTOR'S REPORT.....	30
STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES	33
STATEMENT ON THE DISCLOSURE OF RELEVANT AUDIT INFORMATION.....	34
GOVERNANCE STATEMENT	35
REMUNERATION AND STAFF REPORT	41
PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT	52
THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT	53
FINANCIAL STATEMENTS	61
STATEMENT OF COMPREHENSIVE NET EXPENDITURE.....	62
STATEMENT OF FINANCIAL POSITION	63
STATEMENT OF CASH FLOWS	64
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY.....	65
NOTES TO THE ACCOUNTS	66

Performance Report

Overview

Foreword by the Accounting Officer

The Independent Reporting Commission (IRC) reports on progress towards ending continuing paramilitary activity connected with Northern Ireland. This financial year the Commission continued to engage, consult, report and make recommendations connected to our mandate, as part of efforts by various agencies, departments, organisations and individuals to bring an end to paramilitary activity connected with Northern Ireland once and for all.

This Annual Report and Accounts is the fifth to be published since the Commission's establishment and focuses on the way in which the IRC carried out its functions during the financial year 2021-22. It sets out performance against business objectives and provides details of the expenditure of the Commission's UK Secretariat, including the report of an external audit carried out by the Comptroller and Auditor General (partnered in delivery by Ernst and Young)¹.

The IRC meets a wide range of individuals and organisations with expertise and experience to enable it to publish an informed Report about progress made each year. The Commission also engages widely in order to encourage progress and action in this vital area, and to promote its recommendations.

The Commission published its Fourth Report on progress towards ending paramilitary activity in December 2021². It made three new recommendations to support and enhance the delivery of the twin track approach to tackling paramilitarism (encompassing both the criminal justice response and addressing linked underlying socio-economic conditions)³, and identifying areas for further work.

¹ Under the provisions of Article 10 of the International Treaty ("the Treaty") establishing the Independent Reporting Commission ("the Commission"), the Government of the United Kingdom (UK) has requested the appointment of auditors to audit the accounts of the Commission in respect of the monies provided by the UK Government.

² <https://www.ircommission.org/publications/irc-fourth-report>

³ <https://www.justice-ni.gov.uk/publications/tackling-paramilitary-activity-criminality-and-organised-crime-action-plan>

An assessment of the Commission's corporate performance during the year is set out on pages 14 to 26 of this report. In summary, the Commission performed effectively against its business objectives during the year, and met its statutory and business objectives in full. The four Commissioners were reappointed to their roles in March 2022 and the Commission will continue to play its part in supporting the ending of paramilitary activity connected with Northern Ireland in the years ahead.

A handwritten signature in black ink that reads "C. Atkinson". The signature is written in a cursive, slightly slanted style.

Chris Atkinson

UK Joint Secretary & Accounting Officer

Purpose of the Independent Reporting Commission

The Fresh Start Agreement identified the need for a body to report on progress towards ending continuing paramilitary activity connected with Northern Ireland and contained a number of specific commitments to that end.⁴ That reporting body was subsequently named the Independent Reporting Commission (“the Commission”), and was established by International Treaty⁵ (“the Treaty”) and corresponding legislation in the UK and Ireland⁶.

The Commission’s objective is to promote progress towards ending paramilitary activity connected with Northern Ireland. The IRC exercises its functions with a view to supporting long term peace and stability in society, and stable and inclusive devolved Government in Northern Ireland. We do our work by engaging and consulting, reporting and recommending.



4

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479116/A_Fresh_Start - The Stormont Agreement and Implementation Plan - Final Version 20 Nov 2015 for PDF.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479116/A_Fresh_Start_-_The_Stormont_Agreement_and_Implementation_Plan_-_Final_Version_20_Nov_2015_for_PDF.pdf)

⁵ The international Treaty covering the body was signed in September 2016 and came into force on 8 August 2017 following completion of the relevant legislative processes in each jurisdiction. The Commission was fully established from that date, having operated in shadow form in the preceding period from January 2017.

⁶ The Commission’s founding legislation is: in the UK, the Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016, the Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016 (Independent Reporting Commission) Regulations 2016 and the Northern Ireland (Stormont Agreement and Implementation Plan) Act (Immunities and Privileges) Regulations 2016; and, in Ireland, the Independent Reporting Commission Act 2017.

The Fresh Start Agreement⁷ was reached between the Northern Ireland Executive (“the Executive”), the UK Government and the Irish Government in 2015 following ten weeks of intensive talks convened to address the legacy and impact of paramilitary activity, and the implementation of the Stormont House Agreement. All the parties committed to:

Box 1: Extract from the Fresh Start Agreement

- work collectively to achieve a society free of paramilitarism;
- support the rule of law unequivocally in word and deed and support all efforts to uphold it;
- challenge all paramilitary activity and associated criminality;
- call for, and work together to achieve, the disbandment of all paramilitary organisations and their structures;
- challenge paramilitary attempts to control communities;
- support those who are determined to make the transition away from paramilitarism; and
- accept no authority, direction or control on our political activities other than our democratic mandate alongside our own personal and party judgment.

The Treaty establishing the IRC sets out what we should Report on:

Box 2: Summary of relevant parts of the Treaty establishing the IRC

The Commission reports annually on:

- (a) progress towards ending continuing paramilitary activity connected with Northern Ireland; and
- (b) implementation of the relevant measures of the Government of Ireland, the Government of the United Kingdom, and the Northern Ireland Executive, including the Executive’s Strategy, to inform the implementation of that Strategy.

⁷ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/479116/A_Fresh_Start_-_The_Stormont_Agreement_and_Implementation_Plan_-_Final_Version_20_Nov_2015_for_PDF.pdf

The infographic overleaf gives a short overview of tackling paramilitary activity work since the Fresh Start Agreement.

TACKLING PARAMILITARISM

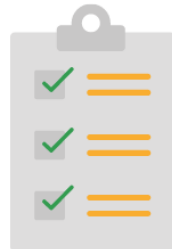


FRESH START AGREEMENT NOVEMBER 2015

Multi-party agreement spotlights the need for further work to "tackle the insidious influence of paramilitarism and reinforce efforts to tackle organised crime and criminality".

INDEPENDENT PANEL TO REPORT ON THE DISBANDMENT OF PARAMILITARY GROUPS IN NORTHERN IRELAND DECEMBER 2015

An independent panel is appointed by the Executive to make recommendations for a strategy to disband paramilitary groups.



EXECUTIVE ACTION PLAN JUNE 2016

The NI Executive agrees a programme of work to tackle paramilitary activity, criminality and organised crime.

INDEPENDENT REPORTING COMMISSION BEGINS WORK AUGUST 2017

The IRC is established by Treaty to consult and report on work ongoing, and to make recommendations for further actions.



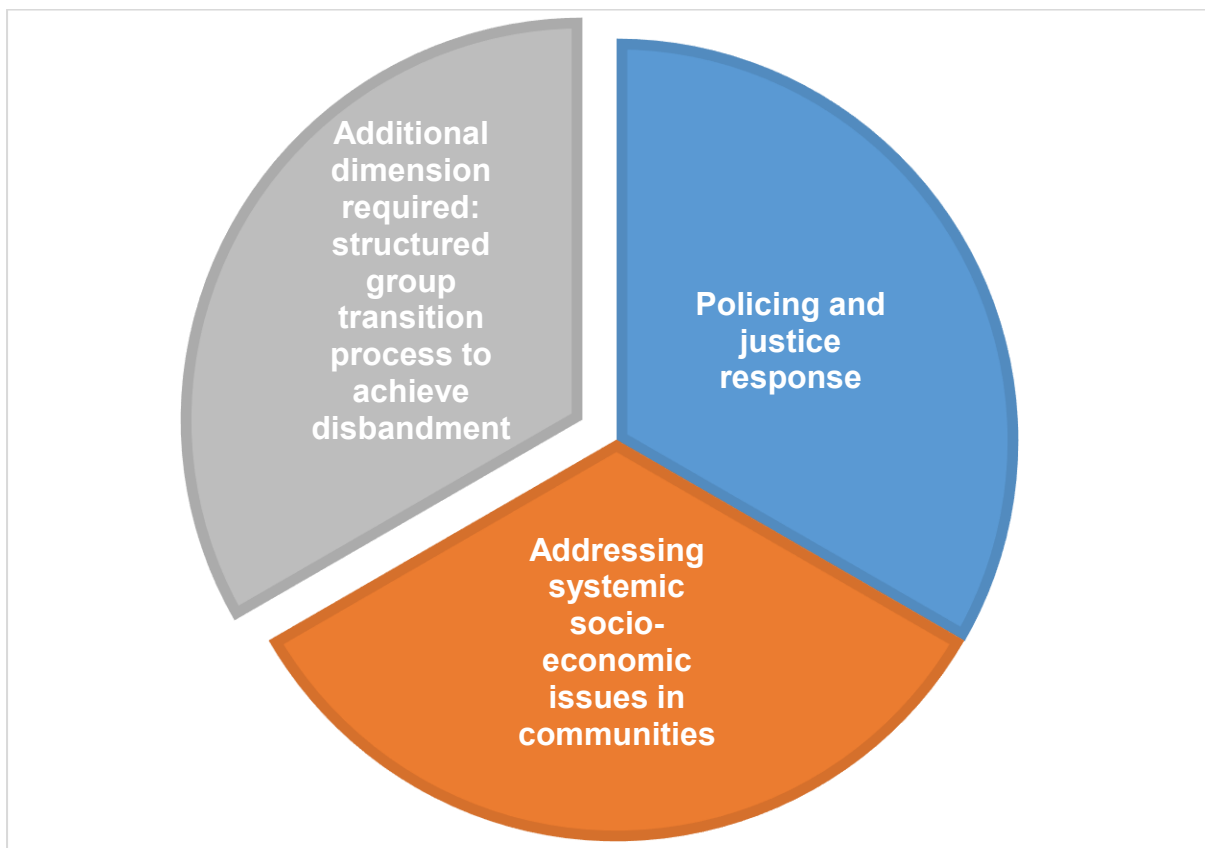
PHASE TWO OF THE PROGRAMME APRIL 2021

The Executive agrees to a second phase of the Programme, beginning in April 2021.

The Commission primarily reports on work being led by the Executive, through its Tackling Paramilitary Activity, Criminality and Organised Crime Programme to ensure that:

- a) people and communities are safe from the harm caused by paramilitarism; and
- b) people and communities are more resilient to paramilitary influence and involvement in paramilitarism, criminality and organised crime.

This Programme of work can be seen as comprising Two Tracks: one containing the criminal justice response required to paramilitarism, and the other addressing the underlying socio-economic issues facing communities, and in particular those communities where paramilitary control is strongest. In addition to this ongoing work, the Commission has recommended an additional dimension: a dedicated, formal process of engagement to achieve Group Transition, with the end goal of disbandment.



Composition and support

The Commission is comprised of four Commissioners, with experience and expertise relevant to the twin track approach to this work which combines policing and criminal justice responses alongside measures to tackle the deep, socio-economic issues in the communities most affected by paramilitarism. The Executive nominated two Commissioners, and the UK and Irish Governments nominated one Commissioner each to the body. They work collectively to further the Commission's objective. The Commissioners were all reappointed until 31 March 2025 earlier this year⁸. The Commission was established under Treaty and as such will continue to exist as a body until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government.

The current Commissioners are:



John McBurney

John McBurney is an experienced solicitor practising in Northern Ireland. He qualified in 1979 and has significant experience in major litigation, commercial transactions, conveyancing and estate management. He has supported victims and survivors of the Troubles in his legal work. John was one of three persons tasked by the First and deputy First Ministers in December 2015 to make recommendations for a strategy to

⁸ Commissioners McBurney, McWilliams and Reiss were initially appointed from 8 April 2017 to 7 August 2021. Commissioner O'Connor's was appointed until September 2021. All four Commissioners had their tenures extended until end-March 2022 in July 2021, to enable them to publish a Fourth Report and to engage, and in March 2022 all four Commissioners were reappointed for a further three years. UK Government announcement: <https://www.gov.uk/government/news/appointments-to-independent-reporting-commission>

disband paramilitary groups and was subsequently nominated to the Commission by the Executive to report on progress towards that goal.

Monica McWilliams

Monica McWilliams is an academic and former politician. She is a graduate of Queen's University Belfast and the University of Michigan, and was Professor of Women's Studies and Social Policy at Ulster University where she holds the position of Emeritus Professor. She co-founded the Northern Ireland Women's Coalition and led its negotiating team in the multi-party talks leading up to the Good Friday Agreement. She was elected to the legislative Assembly in Northern Ireland from 1998 – 2003. She was Chief Commissioner of the Northern Ireland Human Rights Commission from 2005 – 2011 and a former Chairperson of Interpeace. Monica was one of three persons tasked by the First and Deputy First Ministers in December 2015 to make recommendations for a strategy to disband paramilitary groups and was subsequently nominated to the Commission by the Executive to report on progress towards that goal. She recently published a book entitled *Stand Up, Speak Out: My Life Working for Women's Rights, Peace and Equality in Northern Ireland and Beyond*.

Tim O'Connor

Tim O'Connor is a native of Kilkeedy in West Limerick. After a two-year stint as a teacher he joined the Civil Service in Dublin in 1974, moving to the Department of Foreign Affairs in 1979. Most of his time there was spent working on the Northern Ireland Peace Process and he was part of the Irish Government Negotiating Team for the Good Friday/Belfast Agreement. He was the inaugural Southern Joint Secretary of the North/South Ministerial Council, based in Armagh, from 1999 to 2005. He has also served terms as Director of the Africa Unit and of the Human Rights Unit in the Department of Foreign Affairs. His foreign postings included the Embassies of Ireland in Bonn and Washington DC, and from 2005-2007 he served as the Consul General of Ireland in New York, USA. Tim served as Secretary General to President Mary McAleese at *Áras an Uachtaráin* from 2007 to 2010. Since retiring from the Civil Service in 2010 he has been dividing his time between his own advisory business and voluntary work, both in the public sector and with NGOs. In 2020, he chaired the Implementation Advisory Group for the directly elected mayor with executive functions for Limerick City and County, and from February 2019 to February 2021 was Chairman

of the Golf Ireland Transition Board. He is a member of the Board of GOAL, the international humanitarian assistance NGO. Tim was nominated to the Commission by the Irish Government.

Mitchell B. Reiss

Mitchell B. Reiss is a former United States Special Envoy for Northern Ireland with the rank of Ambassador. He was also the Director of Policy Planning at the State Department and has worked at the National Security Council. Outside of government, he was the President and CEO of The Colonial Williamsburg Foundation in Virginia and President of Washington College in Maryland. He has published widely on national security issues, and consults in the United States and globally on higher education and historic sites. Mitchell was nominated to the Commission by the UK Government.

Support Arrangements

The Commission is supported by UK and Irish Secretariats, comprising a UK Joint Secretary and an Irish Joint Secretary and three Secretariat staff. The Secretariats jointly assist the Commissioners in the delivery of the Commission's statutory functions.

The costs of the UK Secretariat and remuneration for Commissioners McBurney, McWilliams and Reiss are funded by the UK Government. These Accounts relate to expenditure incurred by the UK Secretariat, including payments made to those three Commissioners during the year. The UK Secretariat is sponsored by the Northern Ireland Office, but operates wholly independently as an arm's length body. The costs of the Irish Secretariat and remuneration for Commissioner O'Connor are funded by the Irish Government and are not the subject of this Report.

Over the course of the year, the UK Secretariat had three staff in post; all were seconded from the Civil Service. The Commission also made use of services provided by external professionals including media services, researchers and auditors.

Financial Statements

These Accounts have been prepared in accordance with a direction issued by the Northern Ireland Office under Article 10 of the Treaty. They include a Statement of Comprehensive Net Expenditure, a Statement of Financial Position, a Statement of Cash Flows and a Statement of Changes in Taxpayers' Equity, and Notes.

Commission's activities

The Commission consults with a range of stakeholders including the UK and Irish Governments, the Executive, law enforcement agencies in both jurisdictions, and other statutory bodies, local Councils, community and civic society organisations working in Northern Ireland, and other individuals and groups. This engagement is a key part of its work, and ensures that the Commission has a clear understanding of the impact of paramilitary activity on communities and can report effectively on progress towards ending it. The Commissioners are expected to devote approximately 35 days per year to Commission business.

The table below sets out the number of Commission meetings held and the number of stakeholders the Commissioners and Secretariat met during the period 1 April 2021 to 31 March 2022 (since 2020-21 figures are also included for meetings undertaken by the Secretariat on the Commission's behalf; that information was not previously recorded in this format). In view of restrictions associated with the COVID-19 pandemic the Commission took a blended approach to its engagement: meeting face-to-face in COVID-secure premises when it was necessary and permissible to do so, and using online video-conferencing platforms for other meetings.

	1/4/21 – 31/3/22	1/4/20 – 31/3/21	1/4/19 – 31/3/20	1/4/18 – 31/3/19	8/8/17 – 31/3/18
Number of meetings (Commissioners)	81	60	74	65	41
Number of stakeholders (Commissioners)	106	76 ⁹	154	80	53

⁹ A number of these stakeholders engaged with the Commissioners on more than one occasion during the year; they are only counted once for the purposes of this figure.

Number of meetings (Secretariat)	84	32	-	-	-
Number of stakeholders (Secretariat)	66	18 ¹⁰	-	-	-

The Commission is required to report annually on progress and published its Fourth Report in December 2021¹¹.

The infographic overleaf provides an overview of the Commission’s work since it was established by Treaty.

¹⁰ A number of these stakeholders engaged with the Secretariat on more than one occasion during the year; they are only counted once for the purposes of this figure.

¹¹ It is also required to report more frequently than annually if the UK and Irish Governments requests this – no such request was received during the reporting period.

WORK OF THE IRC

Reporting on work to tackle paramilitarism

SINCE ITS FORMAL LAUNCH,

100s **STAKEHOLDERS ENGAGED**

including UK & Irish Governments, NI Executive, law enforcement agencies, other statutory agencies, & community and civic society organisations



MEETINGS **321**



to explore key issues, develop analysis, identify possible solutions, prepare reports and influence decision makers

4 **REPORTS**

Reports on progress towards ending continuing paramilitary activity, in particular from those paramilitary groups declared to be on ceasefire



22 **RECOMMENDATIONS FOR CHANGE**

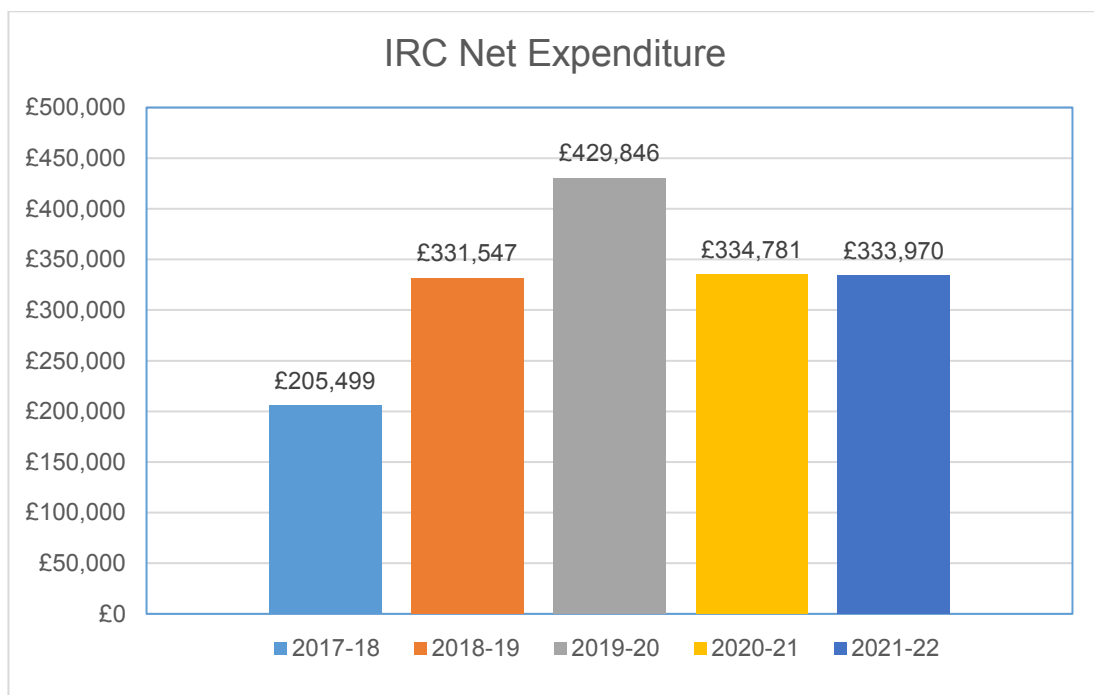


SHARE YOUR VIEWS

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Write to us at Independent Reporting Commission, PO
Box 2205, Belfast BT4 9EL

The UK's withdrawal from the European Union does not impact on how the Commission carries out its functions, although the impact of EU Exit is a subject of interest and relevance to the Commission.

The Commission's primary expenditure is on staff costs, accommodation and services, and professional services, including media support, research and audit (as detailed in the Financial Statements). The Commission has not launched any new programmes or projects, and has not encountered any significant financial issues. The table below shows the IRC's annual expenditure since its formal establishment.



Our Performance

The Commission's Strategic Direction and Business Plan¹² underpins the work undertaken by the Commission to discharge its statutory functions and those requirements common to all public sector organisations in relation to good governance and the effective use of resources. The Commission's objectives are reviewed annually to ensure that they remain fit for purpose. All objectives were met in full during the period 1 April 2021 to 31 March 2022. The Commission will continue to fulfil its mandate of reporting, consulting/engaging and making recommendations in the coming Financial Year.

A detailed analysis of performance against the Commission's Business Plan during the reporting period is set out below:

1.	To report annually or more frequently if jointly requested by the UK and Irish Governments, on progress towards ending continuing paramilitary activity, in particular from those paramilitary groups declared to be on ceasefire.	To provide a considered analysis of progress adopting a twin track approach to: <ul style="list-style-type: none">• the impact of criminal justice interventions; and• broader societal impact.
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The Commission published its Fourth Report on progress towards ending paramilitary activity on 7 December 2021. The Report was laid before the Houses of Parliament and Oireachtas, and a press conference was held to present key messages from the Report. The Commission also met with Ministers and officials to present their analysis, findings and recommendations.

Throughout the course of the financial year the Commissioners held 81 meetings and consulted with 106 stakeholders to inform their analysis, including NI Executive parties, the UK and Irish Governments, the Police Service of Northern Ireland, statutory agencies, academics, individuals, local communities and civic society organisations. In addition, the Secretariat undertook 84 meetings with 66 stakeholders on the Commission's behalf. Some of these stakeholders engaged with the Commission on a number of occasions. We continued to invite members of the public and other organisations to correspond on issues they wished to draw to the Commission's attention.

¹² <https://www.ircommission.org/publications/strategic-direction-and-business-plan>

These meetings and engagements helped the Commission to better understand the impact of paramilitarism on communities, and informed the Report.

Section B of the Report presented data and research about the level and impact of paramilitary activity, building on similar analysis in previous Reports.

The Report also included detailed information about activities and work under Phase One of the Executive's Tackling Paramilitary Activity, Serious and Organised Crime Programme, and commitments made by the UK and Irish Governments related to the Fresh Start Agreement. It also welcomed Phase of that work. The Commission has discussed the findings of the Report widely since its publication, to ensure its analysis and recommendations are well understood.

No ad-hoc reports were requested by the UK and Irish Governments during the reporting year.

<p>2. To report on the implementation of the relevant measures of the Irish Government, the UK Government and the Northern Ireland Executive, including the Executive's Tackling Paramilitary Activity, Criminality and Organised Crime Action Plan.</p>	<p>To provide:</p> <ul style="list-style-type: none">• valuable visibility on progress;• ongoing impetus to implementation of the Executive's Action Plan; and• valuable visibility on the relevant measures of the Irish Government and the UK Government.
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The Commission's reports include an analysis of the implementation of measures set out in the Executive Action Plan and Phase 2 of the Programme. In addition to high-level comments in the Overview Section, Section C of the Report gave detailed comments on progress made on various aspects and made various recommendations.

As noted above, the Commissioners and Secretariat undertook a wide range of engagements to inform the Commission's work, and received various updates from the Executive, UK Government, Irish Government and others such as project delivery leads.

Key points from the Commission's Fourth Report included:

- An overview of the complex landscape of paramilitarism. “Although we are encouraged by good work being undertaken through the Programme, we remain concerned about the risks posed to society by the continuing existence of paramilitary structures which can be harnessed for the purposes of violence or the threat of violence”.
- The reflection that it had been a mixed and challenging year: reaction to Brexit, including the Protocol on Ireland/Northern Ireland, had led to new complexities, and increasing prominence of paramilitarism. Disorder on the streets in Spring and Autumn 2021 had led to speculation about the potential for a resurgence of paramilitary activity.
- The goal of tackling paramilitarism should be assigned a high priority in any new Programme for Government for the NI Executive. Political leadership will be key.
- Fresh Start, and its resultant initiatives, all make clear that while policing and justice measures are essential in bringing paramilitarism to an end, they are not enough in themselves and need to be situated inside a wider, more holistic approach that includes tackling the deep and systemic socio-economic issues facing communities, and in particular those communities where paramilitary control is strongest.
- The Recommendation that to those two Tracks should be added a further dimension: namely that to end paramilitarism we also need an agreed formal process of Group Transition. The disbandment of paramilitary organisations has to involve voluntary action by the Groups and therefore their co-operation, and so the Commission proposes that a dedicated, formal process of engagement with an end goal of disbandment be taken forward. Just as a process of political engagement – ultimately leading to the Belfast/Good Friday Agreement – was needed to bring the Troubles to an end, a similar process is now necessary to definitively end paramilitarism.
- Highlighting good practice from the Executive Programme for Tackling Paramilitary Activity, Criminality and Organised Crime and the importance of the Whole of Government approach and noted that further action on specific measures was required.

- The Commission’s view continued to be that paramilitarism remained a clear and present danger. New structures have been put in place to tackle paramilitarism, and new approaches are underway but more needs to be done, across all relevant agencies and Departments, working alongside local communities. Furthermore, the Commission remains of the view that in order to achieve the comprehensive ending of paramilitarism, a process of Group Transition is required and needs to be added to the Twin Track approach already being implemented.
- The Report made 3 new recommendations: 1) a process for paramilitary Group Transition, 2) the Programme Board consider adding other senior figures to its core membership including the NI Housing Executive, and 3) continuing join up of work.

3.	In carrying out its functions, consult the UK Government and relevant law enforcement agencies.	To inform the work of the Commission and understand the issues under its consideration.
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The IRC’s engagement with stakeholders throughout the 2021-22 financial year was driven by its statutory duty to report on progress towards ending paramilitary activity connected with Northern Ireland. An agreed Stakeholder Engagement Plan was in place and during the year we engaged with the Northern Ireland Executive, leaders of the five main political parties (or their representatives), statutory agencies, community groups, community representatives, individuals and civic society organisations. The Commission’s engagements this year also included consultations with officials of the Northern Ireland Office and the Secretary of State for Northern Ireland, the PSNI, the NCA, HMRC and others.

4.	In carrying out its functions, consult the Irish Government and relevant law enforcement agencies.	To inform the work of the Commission and understand the issues under its consideration.
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The Commission met and corresponded with senior officials and Ministers in the Department of Justice, the Department of Foreign Affairs and law enforcement agencies in Ireland during the reporting period. The Commissioners drew on all this engagement, and its other activities described in the Report, to develop its analysis of progress towards ending paramilitary activity which was published in its December 2021 report.

5.	In carrying out its functions, consult the Northern Ireland Executive, the PSNI, statutory agencies, local Councils, communities and civic society.	To inform the work of the Commission and understand the issues under its consideration..
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The Commission's engagement this year included consultations with relevant NI Departments, leaders and other representatives of the five main NI political parties, the PSNI, statutory agencies, community groups and community representatives, civic society organisations, and local Councils.

6.	Make recommendations to the Northern Ireland Executive in order to inform future Programme for Government priorities and commitments through to 2021.	To make recommendations where appropriate that influence the Programme for Government.
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The Commission made three new recommendations in its Fourth Report on progress towards ending paramilitary activity and provided an update on the actions taken regarding previous recommendations – where necessary it highlighted areas for further work. These recommendations were:

“1. A process for paramilitary Group Transition

In this Report we develop our analysis that an additional dimension is required. The disbandment of paramilitary organisations has to involve voluntary action by the Groups and therefore their co-operation, and so we believe that a dedicated, formal process of engagement with an end goal of disbandment is required. Just as a process of political engagement – ultimately leading to the Belfast/Good Friday Agreement – was needed to bring the Troubles to an end, a similar process is now necessary to definitively end paramilitarism. We have outlined our latest thinking on what steps could be involved in a Group Transition process, and urge further consideration of it by the two Governments, the Executive and civic society.

2. The Programme Board consider adding other senior figures to its core membership, including the Northern Ireland Housing Executive

We consider leadership and collaboration at every level to be vital to tackling paramilitarism once and for all. From our engagements, that is how progress is best delivered on the ground. The Programme Board (chaired by the Head of the Civil Service and convening senior leaders from relevant authorities) provides strategic leadership to all of these endeavours. We recommend that the Programme Board consider adding other senior figures to its core membership, including the Northern Ireland Housing Executive which is involved in relevant activity at project and strategic levels and through its everyday work.

3. Continuing join-up of work

We welcome the endeavours by the Programme Team and project leads to establish a new governance framework which focuses on realising benefits – ensuring that common goals and goods are being pursued by various projects, furthering collaboration, identifying interlinkages, and identifying interdependencies and needs.

We believe that a public health approach is a useful approach for this work.

Tackling paramilitarism requires everyone to play their part. An expansion of the locality approach currently being piloted in three locations can help form part of a more integrated approach.”

The Commission held follow up meetings with relevant stakeholders to discuss their response to the recommendations and proposed next steps as part of their regular engagement.

The Commission also responded to various relevant government consultations, including the independent review of education.

7.	Supporting long term peace and stability in society and stable and inclusive devolved Government in Northern Ireland.	To report on practical, comprehensive and effective measures which contribute to a society free of paramilitary activity and to highlight areas of good practice in this regard.
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Detailed commentary on the implementation of measures to tackle paramilitarism was set out in the Commission’s Report on progress towards ending paramilitary activity published on 7 December 2021. The report highlighted where good progress has been made, and where further progress is required. A number of examples of good practice were also highlighted.

8.

To maintain high standards of corporate governance and ensure value for money is achieved.

- To promote the highest standards of corporate governance.
- To ensure value for money.
- Website established in line with Commission requirements.
- To ensure all information and information assets are managed and stored by the Commission in line with relevant policy.

The Commission has a clear system and structures in place for managing its corporate governance responsibilities, and follows public sector procurement practice and other requirements to ensure that value for money is achieved. Rigorous financial monitoring arrangements are in place and maintained, and spend was within budget again this year. In-year efficiencies were identified and made, and payments were processed in line with agreed procedures and timelines. Procurement undertaken was in accordance with public sector procurement policy.

A full suite of corporate governance documents is in place and govern how the Commission undertakes its work. Those documents were reviewed during the 2021-22 financial year in line with an agreed review schedule. The UK Secretariat engaged regularly with the NIO sponsor team and finance team throughout the year, and with auditors as required. The Commission published its Annual Report and Accounts for 2020-21 on 30 June 2021. As covered in greater detail in the Corporate Governance and Performance Reports in this document, a risk register was maintained and reviewed regularly.

The Commission has its own website with relevant information and it is updated with publications as appropriate.

The UK Secretariat adopts NIO policies in relation to management and storage of information and information assets. A framework to ensure compliance with GDPR requirements is in place.

9.

Maintain an effective secretariat to enable the Commission to deliver on its statutory duties and objectives.

- Ensure that the necessary staff and resources are secured to meet the full requirements of the Commission within budget allocation.
- The provision of an efficient and effective service to the Commission.
- Ensure the protection of the good reputation of the Commission.

UK Secretariat staff worked jointly with their counterparts in the Irish Secretariat to deliver a high-quality and efficient service to the Commission. Vacancies arising in the UK Secretariat during the year were filled in line with Civil Service recruitment practice.

The budget was carefully managed and staff were managed, appraised and developed in line with appropriate Human Resource and Departmental requirements.

A media adviser was reappointed to support the Commission (following a procurement exercise): the adviser's role is to lead the media campaign in relation to the launch of the Commission's Reports, manage any ad hoc media enquiries throughout the year and provide public relations advice in order to uphold and maintain the IRC's reputation. In addition, the Secretariat and Commission through all of its work - particularly engagement, consultation and reporting - strived to promote and uphold the reputation of the Commission.

Sustainable Development:

The Commission is an Executive Non-Departmental Public Body of the Northern Ireland Office. As it is not part of a government department, operates at arm's length from ministers and employs less than 50 employees, the Commission is exempt from sustainability reporting. The Commission fully supports 'Greening Government' commitments, however, and mirrors the Northern Ireland Office's best practice in relation to sustainability and environmental issues to reduce carbon dioxide emissions. This includes the use of video and teleconferencing facilities to reduce our energy "footprint" and by reducing our energy consumption through the use of modern and more efficient technology.

Key risks and issues

Risks are managed on an ongoing basis. We have a process in place designed to identify and prioritise risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them appropriately. A risk register is maintained and underpins the Commission's approach to risk, following the Northern Ireland Office's risk management approach. The risk register is reviewed by the Joint Secretaries on a regular basis and by the Commissioners on a quarterly basis. It is also reviewed periodically by the Northern Ireland Office's Audit and Risk Committee.

The key risks for the Commission relate to the Commission being prevented from discharging its core functions of reporting on progress to end paramilitary activity and on the implementation of relevant measures by the Governments of the UK and Ireland and the Executive, including the Executive Action Plan. These include the Commission remaining quorate, having the necessary staffing and financial resources, facing barriers to required engagement and a denial of service (such as IT failure). Mitigating steps have been taken in respect of each, including regular engagement with the relevant Government departments, dynamic and up-to-date engagement plans, and a clear set of contingency arrangements.

As might be expected, one risk to the successful delivery of the Commission's statutory functions has been the impact of COVID-19 on the Commission's ability to engage with stakeholders. The Commission has put in place arrangements to mitigate that risk by conducting its meetings with stakeholders remotely, using online video-conferencing facilities where appropriate, and conducting face-to-face engagement where permitted, following NI public health regulations and guidance. We have also continued to provide opportunities for written and telephone engagement as well. The Commission continues to manage that risk, as do all public sector and private organisations at this time. During the pandemic, staff have worked from home, only coming into the office when necessary and permitted under COVID-19 Regulations and guidance. There have been no material impacts on the financial statements as a result of COVID-19.

Robust corporate governance structures are in place to mitigate risks pertaining to the effective discharge of statutory and other obligations, and have continued to be effective to that end.

The Statement of Financial Position at 31 March 2022 shows net liabilities of £12,828 (2021: net liabilities of £11,834). The Commission will continue to exist until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government. The future financing of the Commission's liabilities, in relation to the costs of the UK Secretariat and remuneration of three Commissioners, will continue to be met by the Northern Ireland Office in Financial Year 2022-23. The Commission's 2022-23 budget reflects the 2022-25 spending review settlement and has been approved by the Northern Ireland Office, and there is an ongoing commitment to support the work of the Commission until Treaty obligations are terminated – the NIO has given no indication that it intends to pursue this course of action at this point in time given the extension of the Tackling Paramilitary Activity, Criminality and Organised Crime Programme for a further three years, and the decision of the UK and Irish Governments and NI Executive to renominate and reappoint the Commissioners for a further three year period. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2021-22 financial statements.



Chris Atkinson

UK Joint Secretary & Accounting Officer

21 June 2022

Accountability Report

Corporate Governance Report

Director's Report

Introduction

The UK Secretariat to the Commission is sponsored by the Northern Ireland Office. For accounting purposes, the Commission is treated as a Non-Departmental Public Body. The Commission's statutory responsibilities and governing legislation are set out on pages 5 to 7 of the Performance Report.

Commission membership

The following served as Commissioners during the reporting period:

- John McBurney;
- Monica McWilliams;
- Tim O'Connor; and
- Mitchell B. Reiss.

Their biographies can be found on pages 10 to 12 of this Report.

Recruitment Practice

All UK Secretariat staff in post over the reporting period were seconded from the Civil Service in line with Civil Service recruitment and selection policy which requires appointments to be made strictly on merit and through fair and open competition.

The Commission also made use of services provided by an external media adviser and researchers who were appointed under public sector procurement procedures.

Audit and Risk Committee

The Northern Ireland Office's Audit and Risk Committee provides a challenge and assurance function for the Commission. During the reporting period, the Northern Ireland Office's Audit and Risk Committee comprised:

- Les Philpott (Chair);
- Louise Wilson, Non Executive Director (appointed September 2021), and
- Neil Sayers, Non Executive Director (appointed October 2021); Ian Summers until September 2021.

Risk Management

The Commission is committed to ensuring high standards 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's objectives. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk. The Northern Ireland Office's Audit and Risk Committee oversee this work under an independent Chair.

Personal Data Related Incidents

We are committed to safeguarding all retained personal data. Risks in this area are recorded in the Commission's risk register. There were no personal data related incidents during the reporting period.

Register of Interests

The Commissioners and Joint Secretaries are required to provide information of personal or business interests that might be perceived by a reasonable member of the public to influence their judgment in the exercise of their statutory functions. To that end, the Commission maintains a register of declared interests which is available for public inspection if requested. The register is reviewed on a monthly basis by the Commission and is updated if required. No interests were declared by Commissioners or staff during the reporting year which conflict, or may be perceived to conflict, with exercising their statutory responsibilities.

Auditors

The financial statements are audited by the Comptroller and Auditor General. The audit fee for this period is £8,000 (plus VAT). The audit fee for 2020-21 was £7,600 (plus VAT).

During 2021-22, the Commission's internal audit services were provided by the Government Internal Audit Agency.

Statement of Accounting Officer's Responsibilities

In accordance with Article 10 of the Treaty the Secretary of State for Northern Ireland, with the consent of HM Treasury (“the Treasury”), has directed the UK Joint Secretary to prepare, for each financial year, a statement of accounts in respect of the monies provided by the UK Government in the form and on the basis set out in the Accounts Direction which the Treasury has approved. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Commission and of its net expenditure, financial position, cash flows and changes in Taxpayers' Equity for the financial year.

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

- observe the Accounts Direction issued with the consent of the Treasury, 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 the applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Northern Ireland Office, with the consent of the Treasury, has appointed the UK Joint Secretary of the Commission as the Accounting Officer. 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 Commission's assets are set out in Managing Public Money published by Her Majesty's Treasury.

Statement on the disclosure of relevant audit information

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Commission's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware. I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

Introduction and Context

The Commission is an independent body corporate established by Treaty between the UK and Irish Governments and by corresponding legislation in each jurisdiction. The Treaty was signed in September 2016 and came into force on 8 August 2017 following completion of the relevant legislative processes in the UK and Ireland.

For administrative purposes the Commission is treated as a Non-Departmental Public Body sponsored by the Northern Ireland Office of the UK Government.

The UK Secretariat consists of three seconded staff, including myself as the UK Joint Secretary. The UK and Irish Secretariats meet at least weekly and the Commission meets on a monthly basis. As the UK Joint Secretary, I am also appointed as Accounting Officer in respect of funds provided by the UK Government.

I meet with the Sponsor Team within the Northern Ireland Office on a monthly basis to discuss corporate governance issues, and with the Finance Team within the Northern Ireland Office on a regular basis to review finance issues.

Scope of Responsibility

As Accounting Officer I have personal responsibility for the robustness of the control and governance arrangements operated by the Commission. In this, the fifth year of the Commission's existence, I have continued to maintain a sound system of internal governance that supports the achievement of the Commission's policies, aims and objectives whilst safeguarding the public funds and Departmental assets for which I am personally responsible in accordance with the responsibilities assigned to me as Accounting Officer. As such, I am responsible for ensuring propriety and regularity in the handling of those public funds.

My assessment of the Commission's internal controls is informed by the work of the Government Internal Audit Agency, the National Audit Office, the Commissioners, the sponsor Department and the Northern Ireland Office's Audit and Risk Committee.

In my role as UK Secretary to the Commission I am responsible for the effective operation of the UK Secretariat. I have personal responsibility for managing the Commission's financial and other resources made available by the UK Government. I am jointly responsible with my Irish Secretariat counterpart for the provision of advice and support to the Commissioners in delivering their aims and objectives, and in undertaking their statutory responsibilities.

Governance Framework

As Accounting Officer I have agreed a Framework Document with the Northern Ireland Office which sets down the Commission's broad framework and governance arrangements, and lines of accountability.

The Commission conducts its affairs in accordance with a comprehensive Code of Governance. That Code is reviewed annually. It is based on best practice in both the UK and Ireland and covers matters such as corporate responsibility, accountability for public funds and handling conflicts of interest. The Code is supported by internal governance policies that draw on best practice and guidance on matters such as Anti-Fraud and Whistleblowing; the acceptance of Gifts and Hospitality; Financial Management; Risk Management and Information Assurance. Although not part of central government the Commission is expected to follow the Corporate Governance Code (*Corporate governance in central government departments, code of good practice, published by HM Treasury and the Cabinet Office in April 2017*) as far as applicable. The IRC has a written agreement with the NIO (in accordance with Chapter 7 of Managing Public Money and the principles set out in Partnerships between departments and arm's length bodies: code of good practice) which is reviewed periodically; the code of good practice is also reflected in the Commission's Code of Governance, which the Commission has complied with.

I complete Stewardship Statements to provide reassurances that adequate governance controls to ensure effective corporate management are in place based on my own knowledge of the Commission's corporate governance regime and activities. These statements are sent to the UK Secretariat's sponsor Department and to the Northern Ireland Office's Audit and Risk Committee. The purpose of the statements

is to provide assurance to the sponsor Department that specific responsibilities have been exercised with due care and attention.

Commission's Performance

A Strategic Direction and Business Plan setting out the Commission's key objectives and how the Commission will discharge its statutory functions was in place for the reporting period. This was made available to the public on the Commission's website. The Strategic Direction and Business Plan and the Commission's performance against its objectives were reviewed during the year.

As noted on pages 18 to 25 of this Report, the Commissioners are satisfied that the end of year assessment is that the Commission's overall performance was effective and that all objectives were met in full during the year. The Commissioners kept the quality of the data they received from the Secretariat under review and were satisfied with the level and accuracy of the information made available to them.

Risk Management and control

As Accounting Officer I take assurance from a range of external sources on the Commission's governance, risk and control arrangements.

Work of the Audit and Risk Committee

Due to the size of the Commission it would not be proportionate for it to be supported by an independent Audit and Risk Committee. It was therefore agreed that the Northern Ireland Office's Audit and Risk Committee would provide this advisory function to the Accounting Officer and monitor the system of internal controls operated by the Commission.

During the reporting year the Audit and Risk Committee received updates on the management of the Commission's governance arrangements. As part of the stewardship statement process I reported to the Audit and Risk Committee that the established internal controls had operated effectively and that no significant weaknesses had been identified.

On the basis of the issues discussed and the evidence presented at its meetings during the reporting period the Audit and Risk Committee concluded that the assurances it received throughout the year were satisfactory, and no significant internal control issues were identified.

Work of Internal Audit

During 2021-22 internal audit services were available to the Commission under agreement with the Government Internal Audit Agency. Although it was not deemed necessary to conduct any standalone audits of the Commission in-year, the Northern Ireland Office's public bodies were included where in the scope of an audit on sponsorship arrangements during the reporting period. A summary of the outcome of that audit was made available to sponsored bodies, including the Commission.

In the next reporting period the Commission will continue to work closely with the sponsor team within the Northern Ireland Office and Government Internal Audit Agency to identify areas of risk and consider its forward audit plan.

Capacity to manage risk

The Commission's corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. Risks are managed on an ongoing basis in a process that is designed to identify and prioritise the risks, evaluate the likelihood of those risks being realised and the impact they would have, and to manage them efficiently, effectively and economically.

Throughout the year the Commission had a risk register in place that has been assessed and reviewed by the Joint Secretaries and by the Commissioners on a quarterly basis. The Commission operates a "traffic light" corporate risk register in line with the Northern Ireland Office's risk management policy. Further detail about the risks facing the Commission are set out on page 27 above.

Information Assurance

During the year information assurance and information security updates were provided to the Commissioners. No issues were reported to the Audit and Risk Committee.

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

Summary of effectiveness

There were no significant weaknesses in the Commission's system of internal controls which affected the achievement of the Commission's key policies, aims and objectives in 2021-22.

The previous UK Joint Secretary and Accounting Officer has provided the same assurances in relation to the period up to 30 September 2021.



Chris Atkinson

UK Joint Secretary and Accounting Officer

21 June 2022

Remuneration and Staff report

Commissioners' numbers and costs

There are three UK Government-funded Commissioners. Commissioners McBurney, McWilliams and Reiss are remunerated from funds provided by the UK Government. The costs of the Irish Secretariat and remuneration for Commissioner O'Connor are funded by the Irish Government, and are not the subject of this report.

Remuneration policy

The UK Joint Secretary's post is 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 2018). Increases in the UK Joint Secretary's base pay are in line with the parameters of the Senior Salaries Review Board.

The remuneration of the other UK Secretariat staff aligns with those of the Northern Ireland Civil Service and the UK Civil Service. These pay arrangements continue to be performance-related. Performance is appraised by line managers in respect of achievement of agreed objectives.

Contracts of employment

The current Commissioners have been reappointed to their roles from 1 April 2022 for a further three year term. As the Commission was established under Treaty it will continue to exist until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government.

Staff appointments to the UK Secretariat are made in accordance with civil service recruitment and selection policy, which requires appointments to be made strictly on merit and through fair and open competition.

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

The following sections provide details of the remuneration and pension interests of the Commissioners and the Joint Secretary, who is also the Accounting Officer.

	Salary/ Remuneration (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000) ¹³		Total (£'000)	
	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21	21-22	20-21
UK Joint Secretary, Jenny Bell (in post from 8 th August 2017 to 31 st August 2020)	-	30-35 (70-75 FTE)	-	-	-	-	-	15,000	-	45-50
UK Joint Secretary, Marie Patterson (in post from 1 st September 2020 to 30 th September 2021)	45-50 (70-75 FTE)	40-45 (70-75 FTE)	-	-	-	-	102,000	66,000	150-155	105-110
UK Joint Secretary, Chris Atkinson (in post from 16 th August 2021) ¹⁴	45-50 (70-75 FTE)	-	-	-	-	-	19,000	-	60-65	-
Commissioner, John McBurney	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Commissioner, Monica McWilliams	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Commissioner, Mitchell Reiss	15-20	15-20	-	-	-	-	-	-	15-20	15-20

¹³ The value of pension benefits accrued during the period is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

¹⁴ There was a short period of overlap between the outgoing Joint Secretary and the incoming Joint Secretary; in the period 16 August – 30 September Marie Patterson continued to be the IRC's Accounting Officer.

Fair Pay Disclosures (audited information)

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

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

The percentage change in the highest paid director's salary and allowance was nil % and the percentage change in performance pay and bonuses payable was nil % for the highest paid director.

For employees of the entity taken as a whole, the average percentage changes from the previous financial year of salary and allowances was reduced by 19%, and the percentage change in performance pay and bonuses payable was nil %.

The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 25th percentile of pay and benefits of the entity's employees for the financial year was 2.31:1. The ratio between the highest paid director's remuneration and the pay and benefits of the employee on the 75th percentile of pay and benefits of the entity's employees for the financial year was 1.64:1.

The banded remuneration of the highest-paid member of staff of the UK Secretariat in the financial year 2021-22 was £70,000 – £75,000 (2020-21, £70,000 - £75,000). This was 1.92 times (2020-21, 1.37) the median remuneration of the workforce which was £37,773 (2020-21, £52,882) (excluding the highest-paid member of staff for the calculation of this year's figure). The increase in the ratio is due to a small decrease in the median remuneration of the workforce and required methodology. The range of staff remuneration in 2021-22 was £25,118 (2020-21, £28,730) for the lowest paid member of staff, to £74,170 (2020-21, £71,932) for the highest paid member of staff. The lower quartile remuneration (ie the total remuneration of the staff members(s) on the 25th percentile of the linear distribution) and the upper quartile on the 75th percentile of the linear distribution - excluding the highest paid member of staff - were

£31,445 and £44,099. The salary component for the median, 25th percentile and 75th percentile figures is the same as the total remuneration figures disclosed above.

The calculations exclude the remuneration to the Commissioners as their employment terms and conditions, including rates of remuneration, are determined by the UK and Irish Governments and the Commission is unable to influence those rates. Details of the Commissioners' and Joint Secretary's remuneration are provided above.

There was no severance pay in 2021-22 (nil in 2020-21).

Salary and Remuneration

'Salary' includes gross salary; performance pay or bonuses; overtime; and any other allowance subject to UK taxation. "Remuneration" is the annual amount paid to the Commissioners and Joint Secretary. The Commissioners do not receive performance pay or bonuses, overtime, or any other allowance. This remuneration and staff 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).

There were no benefits in kind paid during the 2021-22 financial period, or the 2020-21 financial period.

Pension Benefits (audited information)

Commissioners

No pension contributions were made for Commissioners in the period ended 31 March 2022 or in the period ended 31 March 2021.

Accounting Officer

	Accrued pension at pension age as at 31/03/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
UK Joint Secretary Chris Atkinson (in post from 16 th August 2021)	10-15	0-2.5	113	100	6	-
UK Joint Secretary Marie Patterson (in post from 1 st September 2020 to 30 th September 2021) ¹⁵	35-40 plus a lump sum of 110-115	2.5-5 plus a lump sum of 12.5-15	860	753	102	-

The pension information for the senior management team follows guidance in the Employer Pension Notice EPN626 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: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal

¹⁵ There was a short period of overlap between the outgoing Joint Secretary and the incoming Joint Secretary; in the period 16 August – 30 September Marie Patterson continued to be the IRC’s Accounting Officer.

pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into Alpha sometime between 1 June 2015 and 1 February 2022. Because the UK Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to Alpha have their PCSPS benefits ‘banked’, with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave Alpha. The pension figures quoted show pension earned in PCSPS or Alpha as appropriate. Where the employee has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a ‘money purchase’ stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary related and range between 4.6% and 8.05% of pensionable earnings 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 per Premium. In Nuvos a member builds up a pension based on his pensionable earnings during his period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. 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% and 14.75%. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% 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 and Commissioner numbers and related costs (audited information)

	2021-22 total	Commissioners	Permanently Employed and inward seconded staff	2020-21 total
	£	£	£	£
Wages and salaries	184,943	52,445	132,498	210,928
Social security costs	17,762	2,564	15,198	20,829
Other pension costs	39,379	-	39,379	47,854
Total Staff Costs	242,084	55,009	187,075	279,611

The Commission's staff are covered by the Principal Civil Service Pension Scheme (PCSPS), PCSPS (NI) and the Civil Service and Others Pension Scheme (CSOPS), CSOPSNI – known as Alpha. These are unfunded multi-employer defined benefit schemes but the Commission is unable to identify its share of the underlying assets and liabilities.

Full actuarial valuations of both the PCSPs and PCSPS (NI) were carried out as at 31 March 2016. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation Account (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

For 2021-22, employers' contributions of £39,379 (2020-21 £47,854) were payable to PCSPS and PCSPS (NI) in the range 27.1% to 27.9% of pensionable earnings, based on salary bands for Civil Service Pension and 30.7% to 34.2% of pensionable pay for Civil Service Pension (NI), 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 2021-22 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. No employee opted to participate in the partnership pension in 2021-22.

Average number of persons employed (audited information)

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

	2021-22		2020-21	
	Total	Commissioners	Permanently Employed and inward seconded staff	Total
Directly employed	6	3	3	6
Total	6	3	3	6

The UK Secretariat had three staff in post over the year, including one senior civil servant (SCS1). The Commission does not employ staff directly and the UK Secretariat staff are seconded from the Northern Ireland Civil Service and the UK Civil Service. As the Commission does not have its own Human Resources or pay policies the UK Secretariat staff comply with, and come under the terms of, the policies and practice of their parent Civil Service departments including in relation to attendance management, performance management, requirement to make reasonable adjustments for staff with disabilities, and health and safety. The staff are able to avail of training, career development and promotion within their parent departments.

The Commission does not publish data about staff turnover, sickness absence or composition (including diversity and inclusion statistics) due to the size of the organisation.

The Commissioners are expected to devote approximately 35 days per year to Commission business.

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

There were no exit packages in 2021-22 (nil in 2020-21).

Reporting of Civil Service and other compensation schemes – payments for loss of office

There were no payments for loss of office in 2021-22 (nil in 2020-21).

Reporting of expenditure on consultancy

There was no consultancy expenditure in 2021-22 (2020-21: £Nil).

Reporting of off payroll engagements

There was no expenditure on off payroll engagements in 2021-22 (nil in 2020-21).



Chris Atkinson

Accounting Officer

21 June 2022

PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT

Parliamentary Accountability Disclosures

(This section is subject to audit)

1. Income payable to the Consolidated Fund

There was no income payable to the Consolidated Fund in 2021-22 or in 2020-21.

2. Regularity of expenditure

All expenditure was applied to the purpose intended by Parliament.

3. Losses and special payments

There are no losses and special payments to report (nil in 2020-21).

4. Remote Contingent Liabilities

There are no remote contingent liabilities requiring disclosure (nil in 2020-21).

5. Income in relation to Fees and Charges

No fees or charges were collected (nil in 2020-21).



Chris Atkinson

Accounting Officer

21 June 2022

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

Opinion on financial statements

I have audited the financial statements of the Independent Reporting Commission for the year ended 31 March 2022 in accordance with Article 10 of the September 2016 Agreement between the government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland establishing the Independent Reporting Commission (“the Treaty”).

The financial statements comprise the Independent Reporting Commission’s:

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers’ Equity for the year then ended; and
- the related notes including the significant accounting policies.

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

In my opinion, the financial statements:

- give a true and fair view of the state of the Independent Reporting Commission’s affairs as at 31 March 2022 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Article 10 of the Treaty and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies 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 report.

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Independent Reporting Commissions use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

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

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, 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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Article 10 of the Treaty:

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Article 10 of the Treaty; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Independent Reporting Commission and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;

- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the Independent Reporting Commissions' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Independent Reporting Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with Article 10 of the Treaty.

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

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

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

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

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

- the nature of the sector, control environment and operational performance including the design of the Independent Reporting Commission's accounting policies.
- Inquiring of management, the Independent Reporting Commission's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Independent Reporting Commission's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016 and Managing Public Money;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Independent Reporting Commission for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Independent Reporting Commission's framework of authority as well as other legal and regulatory frameworks in which the Independent Reporting Commission operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Independent Reporting Commission. The key laws and regulations I considered in this context included Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016, Managing Public Money, employment law and tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Commission; and;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

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

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.

Gareth Davies

Gareth Davies
Comptroller and Auditor General

Date: 23 June 2022

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

Financial Statements

Statement of Comprehensive Net Expenditure For the Year Ended 31 March 2022

		For the Year Ended 31 March 2022 £	For the Year Ended 31 March 2021 £
Expenditure	Note		
Staff costs	3	242,084	279,611
Other expenditure	4	91,886	55,170
Total operating expenditure		333,970	334,781
Net Operating Expenditure		333,970	334,781

The Independent Reporting Commission has no gains or losses other than Net Operating Expenditure during 2021-22 (2020/21 £nil). There was no other comprehensive income or expenditure during 2021-22 (2020/21 £nil).

All amounts above are in respect of continuing operations.

The notes on pages 66 to 71 form part of these accounts.

Statement of Financial Position As at 31 March 2022

		At 31 March 2022 £	At 31 March 2021 £
Current Assets			
Trade and Other Receivables		-	-
Total Current Assets		<u>-</u>	<u>-</u>
Current Liabilities			
Trade and other payables	6	(12,828)	(11,834)
Total Current Liabilities		<u>(12,828)</u>	<u>(11,834)</u>
Total Assets less liabilities		<u><u>(12,828)</u></u>	<u><u>(11,834)</u></u>
Taxpayers' Deficit			
General Fund		(12,828)	(11,834)
Total (Deficit)		<u><u>(12,828)</u></u>	<u><u>(11,834)</u></u>

The financial statements on pages 62 to 65 were approved by the Commission on 20 June 2022 and were signed on its behalf by:

Signed:



Accounting Officer: Chris Atkinson

Date: 21 June 2022

The notes on pages 66 to 71 form part of these accounts.

Statement of Cash flows

For the Year Ended 31 March 2022

		For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
	Note	£	£
Cash flows from operating activities			
Net Operating Expenditure		(333,970)	(334,781)
(Increase)/Decrease in trade and other Receivables		-	-
Increase/(Decrease) in trade payables	6	994	(10,564)
Net cash outflow from operating activities		(332,976)	(345,345)
Cash inflow from financing activities			
Amounts from sponsor body		332,976	345,345
Net cash outflow from financing activities		332,976	345,345
Net increase/(decrease) in cash and cash equivalents in the period			
		-	-
Cash and cash equivalents at the beginning of the period			
		-	-
Cash and cash equivalents at the end of the period			
		-	-

The notes on pages 66 to 71 form part of these accounts.

Statement of Changes in Taxpayers' Equity For the Year Ended 31 March 2022

	General Reserve	Total Reserves
	£	£
Changes in taxpayers' deficit for 2020-21		
Balance at 31 March 2020	(22,399)	(22,399)
Comprehensive Expenditure for the year	(334,781)	(334,781)
Grant-in-aid from NIO	345,346	345,346
Balance at 31 March 2021	(11,834)	(11,834)
Changes in taxpayers' deficit for 2021-22		
Comprehensive Expenditure for the year	(333,970)	(333,970)
Grant-in-aid from NIO	332,976	332,976
Balance at 31 March 2022	(12,828)	(12,828)

The notes on pages 66 to 71 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2021-22 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts have been prepared pursuant to Article 10 of the International Treaty between the UK Government and the Irish Government, on a going concern basis. The Statement of Financial Position at 31 March 2022 shows net liabilities of £12,828. The Commission will continue to exist until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government. The future financing of the Commission's liabilities, in relation to the costs of the UK Secretariat and remuneration of three Commissioners, will continue to be met by the Northern Ireland Office in Financial Year 2022-23. The Commission's 2022-23 budget reflects the 2022-2025 spending review settlement and has been approved by the Northern Ireland Office, and there is an ongoing commitment to support the work of the Commission until Treaty obligations are terminated – the NIO has given no indication that it intends to pursue this course of action at this point in time given the extension of the Tackling Paramilitary Activity, Criminality and Organised Crime Programme for a further three years, and the decision of the UK and Irish Governments and NI Executive to renominate and reappoint the Commissioners for a further three year period. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2021-22 financial statements.

1.1 Accounting convention

These accounts have been prepared for the year commencing 1 April 2021 and ending 31 March 2022 under the historical cost convention. The comparatives stated reflect the financial position for the year ended 31 March 2021.

1.2 Employee Benefits

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the PCSPS (NI), the Civil Service and Others Pension Scheme (CSOPS) and CSOPS (NI). These 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 schemes of the amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the pension schemes.

Further details regarding the above schemes are contained in the Remuneration and Staff Report.

1.3 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* the Commission discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

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

1.4 Value Added Tax

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

1.5 Staff Costs

Under IAS19 *Employee Benefits*, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the costs of any untaken leave as at the year end. The cost of untaken leave has been determined using data from staff leave records.

The staff remuneration report includes only one senior civil servant. The Commission does not employ staff directly and the UK Secretariat staff are seconded from the Northern Ireland Civil Service and the UK Civil Service. They therefore comply with, and come under the terms of, the policies and practice of their parent Civil Service departments including in relation to attendance management, performance management, requirement to make reasonable adjustments for staff with disabilities, and health and safety. The staff are able to avail of training, career development and promotion within their parent departments.

1.6 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Commission's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available

information and experience. No critical accounting estimates or judgements have been made in this account.

1.7 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2022

There were no new standards, interpretations and amendments to published standards that became effective during 2021-22 which are relevant to the operations of the Commission.

1.8 Impending application of newly issued accounting standards not yet effective

The following standards or interpretations have been issued by the International Accounting Standards Board but have not yet 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, the Financial Reporting Advisory Board took the decision to delay the implementation of IFRS 16 for bodies applying the Government Financial Reporting Manual until 1 April 2022

The Commission does not expect IFRS 16 to have a material impact on future accounts as the Commission does not hold any leases.

IFRS 17 – Insurance contracts replaces IFRS 4 and has an effective date of 1 April 2025. The new standard combines current measurement of future cash flows with profit recognition over the period of contractual service provision, present insurance service results separately and elect whether to recognise insurance finance income and expenditure in profit and loss or other comprehensive income. Given that the Commission do not issue insurance policies, no material impact is expected on the financial statements as a result of this standard.

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 current reporting structure.

3. Staff costs

	For the Year Ended 31 March 2022			For the Year Ended 31 March 2021
	Total	Commissioners	Permanently Employed and inward seconded staff	Total
	£	£	£	£
Wages and salaries	184,943	52,445	132,498	210,928
Social security costs	17,762	2,564	15,198	20,829
Other pension costs	39,379	-	39,379	47,854
Total Staff Costs	242,084	55,009	187,075	279,611

More detail on staff numbers can be found in the Remuneration and Staff Report.

4. Other expenditure

	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
	£	£
Accommodation and Services	21,629	19,410
Audit & Accountancy - Internal	2,500	2,500
Audit - External	9,600 ¹⁶	9,120
Foreign Exchange Rate Losses	717	408
Professional Fees	31,202	16,627
Professional Subscriptions	40	-
Staff Training	570	450
Publications	5,569	4,984
Postage and Stationery	396	359
Travel, Subsistence and Hospitality	19,664	1,312
	91,886	55,170

¹⁶ There were no fees paid to the IRC's external auditors for non-audit services.

5. Financial Instruments

As the cash requirements of the Commission are met via the Northern Ireland Office through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for 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.

6. Trade payables and other current liabilities

	For the Year Ended 31 March 2022 £	For the Year Ended 31 March 2021 £
Amounts falling due within one year:		
Accruals and deferred income	12,828	11,834
	<hr/> 12,828 <hr/>	<hr/> 11,834 <hr/>

7. Related-party transactions

The Commission was established by International Treaty between the UK and Irish Governments. For accounting purposes, the Commission is treated as a Non-Departmental Public Body by the Northern Ireland Office and the UK Joint Secretary is required to report on the funding provided to the Commission by Parliament. The Northern Ireland Office is therefore regarded as a related party and during the year, transactions were conducted with the Northern Ireland Office via Grant-in-Aid funding to the Commission as outlined in the accounts.

8. Contingent Liabilities

The Commission has no contingent liabilities at 31 March 2022 (31 March 2021 £nil).

9. Events after the reporting period

There were no events after the reporting period requiring disclosure.

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

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