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Parades Commission for Northern Ireland

Annual Report and Financial Statements for the year ended 31 March 2014

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

Ordered by The House of Commons to be printed 7 July 2014



HC 434

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FOREWARD BY THE CHAIR

This Annual Report to 31 March 2014 spans the tenures of Commission members who were appointed on 1 January 2014, with the outgoing Commission members leaving office on 31 December 2013. The Commission membership reduced from seven to five. The Commission's role is to intervene, only when necessary, in an area where there is a long history of mistrust. It has a statutory duty to promote greater public understanding of the issues around parading and to promote and facilitate mediation as a means of resolving disputes.

To that end, as the new Chair, my aim for the Commission will be to reach out where there is no local engagement and ascertain what support it can lend in taking things forward. Also, since its appointment, the new Commission has taken time to assess the views and opinions of those involved with parading matters. Concerns were raised that, on occasion, the Commission itself, rather than the issues around sensitive parades and protests, has become a focal point. The new Commission has no wish to detract or inadvertently complicate the often delicate discussions which take place between representatives of both paraders and protesters and our policy on interaction with the media will reflect this accordingly.

The new Commission has commenced its role at a time when parading issues remain high profile with parading viewed by many as an area of activity in Northern Ireland which continues to have the potential to impact adversely on community life and community relations. There remains too the potential for public disorder.

The report spans a period of increased parading within Northern Ireland. 4667 parades were notified, an increase of 216 on the notified parades from the previous year. The vast majority of these parades passed off peacefully and enjoyably, without need for any consideration of, or intervention by, the Parades Commission.

In the context of the overall trends in parading, a significant proportion of the increase during the year is due to nightly and weekly parades held in North Belfast in protest at the Parades Commission decision in July 2013 to restrict a portion of the 12th July return procession along a stretch of the Crumlin Road. These parades continue to be notified and processed at the time of going to press. This parading issue is, therefore, a focus of the new Commission which has received extensive representation regarding the past and recent history of parades in the area; and received much evidence in respect of the impacts on community life, on community relations and the potential for public disorder.

Parades in the year also include parades organised in response to the Belfast City Hall flags dispute.

There are also complex parading issues arising in other parts of Belfast and in other locations across Northern Ireland. In these locations, parades have the potential to adversely impact upon community relations.

I want to take this opportunity to recognise the contribution of the outgoing Commission. Having been in the Chair for a number of months now I am beginning to appreciate the challenges they faced.

I also want to publicly acknowledge the dedicated efforts of the Commission's Secretariat, its independent monitors and other professionals who support the work of the Commission.

Anne Henderson

MANAGEMENT COMMENTARY

STRATEGIC REPORT

ORGANISATIONAL OVERVIEW

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

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

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12th Floor, Windsor House
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The Secretary, Ms Rene Murray, was appointed from 9 June 2014. Mr Anthony Carleton was Secretary / Accounting Officer for the period 13 December 2011 to 6 June 2014. The Secretary is responsible for the effective operation of the secretariat and for managing its financial and manpower resources. The Secretary has also been appointed as Accounting Officer.

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

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

“IT SHALL BE THE DUTY OF THE COMMISSION —

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

AND SECTION 2 (2) PROVIDES THAT:

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

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

PERFORMANCE

The table below summarises performance against Parades Commission 2013-14 business plan targets. The commentary beneath the table highlights key outcomes achieved or exceeded in year, as well as some key targets either partially achieved or not achieved.

	Business Plan Objective	Total Number of Target Outcomes	Number of Target Outcomes – Fully Achieved	Number of Target Outcomes – Partially Achieved	Number of Target Outcomes – Not Achieved
1	To promote greater understanding by the general public of parading issues	2	1	1	
2	To keep itself generally informed on the conduct of public processions and protest meetings	2	2		
3	To promote and facilitate mediation as a means of resolving disputes concerning public processions	1	1		
4	To issue determinations, when necessary, in accordance with the law and procedures	1	1		
5	To keep under review the operation of the relevant legislation and make such recommendations as it thinks fit to the Secretary of State	1	1		
6	To maintain high standards of governance & ensure value for money is achieved	6	3	2	1
		13	9	3	1

BUSINESS PLAN OBJECTIVE 1

During 2013-14, four outreach meetings and two public meetings were held in locations across Northern Ireland, to a range of stakeholders. The objective of the meetings was to promote greater understanding of parading issues. The meetings were generally well attended.

One target required the publication of four email newsletters. Two “e-zines” were produced, by the Commission in post until 31 December 2013. The response to the newsletters was not as anticipated and the scheme was ceased.

BUSINESS PLAN OBJECTIVE 2

During 2013-14, both Commissions proactively engaged with stakeholders and held a considerable number of meetings with parade and protest organisers, elected and community representatives, representatives of the main religions and other stakeholders.

To ensure that Commission members kept themselves informed on public processions, all Commission members observed a minimum of four parades.

BUSINESS PLAN OBJECTIVE 3

Mediation took place in a number of sensitive areas across Northern Ireland, including North Belfast, Rasharkin and Lurgan.

BUSINESS PLAN OBJECTIVE 4

All determinations were issued within the statutory timeframe.

BUSINESS PLAN OBJECTIVE 5

The Commission, in post until 31 December 2013, submitted its recommendations to the Secretary of State, regarding the effectiveness of current legislation, before 31 December 2013.

BUSINESS PLAN OBJECTIVE 6

Three objectives were fully achieved. Notably, the timetable for completion of 2013-14 Annual Report and Accounts was met; governance structures were strengthened and Commissioners have an increased financial awareness via monthly Corporate Governance updates; and a 4.5% efficiency saving was achieved.

With regards to partially achieved objectives, there was slippage on Internal Audit recommendations in relation to IT due to new website / notification system. The contract for the tender of the new notification system / website was awarded in October 2013. The new website was partly operational from April 2014. It is anticipated that it will be fully operational from Autumn 2014.

One target was to prepare and approve the 2013-14 Business Plan by 31 March 2013. This was not achieved. The 2013-14 Business Plan was prepared and approved by 31 May 2013.

Objectives 1-5 were achieved by the Commission in post to 31 December 2013, prior to leaving the post. Therefore, there was no impact on the achievement of the objectives with the change of Commissioners. Objective 6 largely relates to secretariat business, therefore was not impacted with the change of Commissioners.

PARADING ACTIVITIES

OVERVIEW OF PARADING ACTIVITIES

From 1 April 2013 to 31 March 2014, the Parades Commission received notification of 4,665 parades (2012-13: 4,449). Of the 4,665 notified parades, 491 (2012-13: 225) required detailed consideration by the Commission. Of the 491 parades, requiring detailed consideration, 437 (2012-13: 165) required the imposition of conditions, including on the proposed route.

In making its decisions the Commission faced the difficult task of upholding the rights of not just one group, but also of seeking to balance the conflicting rights of different groups within

the statutory criteria laid down in the legislation. It approached each of these “sensitive parades” independently and fairly, and it remains steadfastly committed to this approach in working with all those involved in the parades issue. “Sensitive parades” are those that are considered as having the potential of raising concerns and community tensions, and which consequently are considered in more detail by the Parades Commission.

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

TOTAL PARADES NOTIFIED

The 2013-14 parading season witnessed an increase of 216 notified parades from the previous year (2012-13: 4,449) with a similar breakdown of parade types. The current legislation requires that all public processions, with the exception of funerals and Salvation Army organised parades, are notified to the police at least 28 days before the date of the parade. The notifications are then passed on to the Parades Commission.

TOTAL PARADES BY TYPE

The number of notified parades organised by the loyal orders and broad Unionist tradition 2,766 (2012-13: 2,569) represents 59% of the overall total. The number of notified parades organised Nationalist groups 119 (2012-13: 175) was a slight decrease from the previous year but remains low at 3% of the overall total.

There were 1,780 (2012-13: 1,705) notified “other” parades. This category includes charity, civic, rural and sporting events, as well as church parades. Collectively, these now made up 38% of the overall total number of parades (2012-13: 38%).

TOTAL SENSITIVE PARADES

The number of notified parades deemed to be sensitive increased significantly to 491 (2012-13: 215). The significant increase is largely due to the nightly and weekly parades at Woodvale / Twaddell areas of Belfast. Of these 491 sensitive parades, 38% (no comparator for 2012-13) relate to the nightly and weekly parades at Woodvale / Twaddell areas of Belfast. Some 11% (2012-13: 23%) of the parades deemed to be sensitive related to the notifications by the Portadown LOL District No. 1 in respect of the Garvaghy Road. This reduction is due to the increase in sensitive parades, rather than the reduction in notified parades by Portadown LOL District No 1.

SENSITIVE PARADES BY TYPE

The vast majority of sensitive parades continued to be Unionist parades, which accounted for 96% (2012-13: 90%). The proportion of sensitive Nationalist parades accounted for 2% (2012-13: 8%). Other parades made up the remaining 2% (2012-13: 2%) of the total.

BREAKDOWN OF RESTRICTIONS

The proportion of sensitive parades and parade-related protests on which the Commission placed restrictions was 88% (2012-13: 73%), a 15% increase from the previous year. The most common restriction was “other”, which includes restrictions on number of supporters. The remainder of restrictions related to size and timing of a parade or protest, type of music to be played, behaviour and dress code.

FINANCIAL STATEMENTS – ACCOUNTS DIRECTION

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

- (a) keep proper accounts and proper records in relation to the accounts; and

- (b) prepare a statement of accounts in respect of each financial year of the Commission.

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

GOING CONCERN

The Statement of Financial Position at 31 March 2014 shows net current liabilities of £154,868. This reflects the inclusion of liabilities already incurred which are due for payment in future years.

The future financing of the Parade's Commissions liabilities will be met by the NIO. Although the Northern Ireland Executive is currently engaged in a review process that includes the future of parading in Northern Ireland, there is no reason to believe that the NIO's future sponsorship and future parliamentary approving will not be forthcoming. The Parades Commission 2014-15 budget has been approved by the NIO. In addition, an exercise requiring Parades Commission to comment on 2015-16 budget cuts has also been completed. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2013-14 financial statements.

R MURRAY
Secretary and Accounting Officer

23 June 2014

DIRECTORS REPORT

FUNDING

The Parades Commission is a non-departmental public body (NDPB) sponsored by the NIO and is funded directly from expenditure voted by Parliament to the NIO. The budget is set with agreement of the Secretary of State for Northern Ireland. The Parades Commission current and capital expenditure form part of NIO's Resource DEL and Capital DEL Estimates respectively. In 2013-14, the Parades Commission was allocated a budget of £1,017k, including £100k for capital.

RELATIONSHIP WITH NIO

The Parades Commission main point of contact in the NIO is the sponsor branch. Quarterly meetings are held between the sponsor branch and the secretariat, where matters relating to corporate governance, budgets, financing and accountability matters are discussed.

THE COMMISSION

The duties and functions of the Commission are set out in the Public Processions (Northern Ireland) Act 1998. These are to:

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

Consistent with the Act, the Commission may also:

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

ROLE OF THE CHAIR OF THE PARADES COMMISSION

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

COMMISSION MEMBERS

Members are appointed by the NIO. The term of appointment is three years. From 1 April 2013 until 31 March 2014, two sets of Commission members were in post.

From 1 April 2013 until 31 December 2013, the membership was as follows:

Mr Peter Osborne (Chair)
Mr Douglas Bain
Mrs Delia Close

Rev Brian Kennaway
Mrs Frances Nolan
Mr Robin Percival
George Patterson (appointed June 2013)

From 1 January 2014 until 31 March 2014, the membership was as follows:

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

ANNE HENDERSON

Anne is currently a non-executive director of the SS Nomadic Trading Company. She was Vice Chair of the Northern Ireland Housing Executive from 2004 to 2012 during which time she also spent a short period as acting Chair. She is a chartered accountant and has worked for KPMG, Time Warner Inc and BDO Stoy Hayward. She has previously held positions on the Board of the International Fund for Ireland; the Enterprise Equity Northern Ireland Ltd and Enterprise Equity Ireland Ltd. She is a member of the audit committee of Queen's University.

SARAH HAVLIN

Sarah is a solicitor by profession and is currently the Certification Officer of Northern Ireland, a quasi-judicial and regulatory role in the field of industrial relations. She has also held a number of other positions in public office, judicial decision-making and formal arbitration proceedings, including Legal Chair of the Exceptional Circumstances Body; Legal Chair of the Department of Agriculture and Rural Development (DARD) Independent Appeals Panel and DARD Animal Valuation Panel; Board Member and Legal Member of the Public Transport Licensing Appeal Panel; Chair of the Agricultural Wages Board; Legal Member of the Regulation and Quality Improvement Authority and Legal Member of the Health and Social Care Board Independent Complaints and Serious Adverse Incident Panel. Sarah also served as an Assistant Local Government Boundaries Commissioner in 2008 and as assistant to the District Electoral Areas Commissioner during his recent review.

COLIN KENNEDY

Colin is Chief Executive of the Mary Peters Trust. Prior to taking up his current position he was Chief Executive of Lenken Healthcare (Ireland). He also spent 14 years in the finance industry. He is currently a member of the Mental Health Review Tribunal for Northern Ireland; a member of the Nursing and Midwifery Council (Fitness to Practice) and the Northern Ireland representative on the NHS Review Body. He served as Chairman of the General Dental Council Complaints Panel from 2006 to 2009.

FRANCES MCCARTNEY

Frances is a Judge (part-time) of the First Tier Tribunal, Social Security Tribunal for UK. She is a partner in a Glasgow law firm and specialises in human rights claims, environmental planning and public law. She is also a senior tutor at the University of Glasgow and a lecturer at the University of Strathclyde. She has held a wide range of appointments that include: Board member of Friends of the Earth Scotland; Civil Legal Aid Committee, Law Society of Scotland; and Trustee of the Scottish Human Rights Trust. She currently is a member of the Midwifery Committee of the Nursing and Midwifery Council, a member of the Legal Governance Group of the Scottish Environmental LINK and a Board member of the Environmental Law Centre Scotland.

PAUL HUTCHINSON

Paul is the former Centre Director of the Corrymeela Peace and Reconciliation Centre. He has a background in mental health, advocacy, mediation, and the Arts. He worked for 12 years with NI Association for Mental Health, as a manager, advocate, practitioner / therapist, researcher. He was Associate Lecturer at the University of Ulster from 1999-2002, creating and teaching in the Department of Social Work (advocacy and empowerment skills). He was a Neighbourhood Renewal Advisor in North West England for 5 years, and worked for 7 years in community cohesion projects in Oldham, Burnley and Blackburn. He also has a background in various artistic fields as a film-maker, writer, photographer and musician. He was the founder / director of Imagined Spaces, a company exploring creative community relations.

PETER OSBORNE

Peter was chair of the Parades Commission from 1 January 2011 to 31 December 2013 and was a Northern Ireland Committee member of the BIG Lottery Fund. He was involved in good relations, cohesion, community enablement and development work for over 20 years. He was a non-executive Director of Extern and Extern Ireland, the charity that provides social care and support services to children, families, adults and communities. He was a voluntary review panel member for the Peace II and III programmes and previously he was a volunteer Custody Visitor. Peter was a Director of the Building Change Trust, utilising a £10 million endowment to explore new ways of working for the voluntary and community sector. He served as an elected member of Castlereagh Borough Council for 12 years from 1993-2005. He is a former Chair of the Alliance Party, 1999-2001. Peter co-founded and chaired for the first seven years, Landmark East, a large property-based social enterprise in East Belfast with an asset base of c. £3 million.

DOUGLAS BAIN

Douglas Bain was called to the Scottish Bar in 1973 and worked in Scotland, in both the private and public sectors, until moving to Northern Ireland in 1988. From then until resigning from the civil service in 2006 he held a number of senior posts in the NIO. He was appointed CBE in 2006 for services to the Northern Ireland Prison Service. From 1996 until 2010 he was the Chief Electoral Officer for Northern Ireland. He was appointed as a member of the Parades Commission for a period of three years from 1 January 2011. He has been the Northern Ireland Assembly Commissioner for Standards since September 2012. He is the Appointed Person under section 289 of the Proceeds of Crime Act 2002 for all UK jurisdictions. He is a lay member of the National Security Certificate Appeals Tribunal for Northern Ireland.

DELIA CLOSE

Delia Close is a retired teacher who has been involved in conflict transformation in the Ballymena area for many years. She has extensive experience in the voluntary and cross-community sectors. She was an Independent member of the Ballymena District Police Partnership where she served two terms as vice-chair. She has helped to establish lines of communication between political adversaries at grass-roots level and has been involved in outreach work with bandsmen, youth groups and ethnic minorities. Delia was an active member of the South Antrim Branch of the Northern Ireland Women's Coalition, serving on a number of policy committees. She has a particular interest in mental health issues, especially in the area of public advocacy; she is a member of the Mental Health Forum in Holywell Hospital. She has been press officer of Ballymena Festival of Music, Speech and Dance for many years. Delia is married, with two grown-up children.

BRIAN KENNAWAY

Brian Kennaway is an ordained Minister of the Presbyterian Church in Ireland and retired in January 2009. He is a serving member of the Judicial Commission of the Presbyterian Church of Ireland. He has been active in the church serving on a number of church Committees of the

General Assembly. He is the author of a number of books and articles on orangeism. He is the President of the Irish Association for Cultural, Economic, and Social Relations, and a member of the Board of the Institute for British Irish Studies (IBIS).

FRANCES NOLAN

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

ROBIN PERCIVAL

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

GEORGE PATTERSON

George Patterson is a semi-retired self-employed management consultant. He previously worked for the Fair Employment Agency, the Fair Employment Commission, Price Waterhouse and Coopers and Lybrand. He was for ten years a part-time lecturer in the Department of Applied Economics at the University of Ulster and has served as a member of the Community Relations Council and as a Lay Partner on the Health Professions Council. He has extensive knowledge of Northern Ireland equality legislation and the issues relating to equality of opportunity.

OTHER COMMITTEE

AUDIT COMMITTEE

The Audit Committee is charged with ensuring that the Commission and Accounting Officer have the necessary assurance they require on risk management, governance and internal control. The Commission's Audit Committee met once during 2013-14, in December 2013, due to HMRC legacy issues, a busy parading season and changing Commission members. The Audit Committee, consisting of members appointed from 1 January 2014, met in early May 2014 to approve the Annual Report and Accounts.

During the period 1 April 2013 to 31 December 2013, the Committee comprised the following members: Brian Kennaway (Chair), Delia Close and Robin Percival.

During the period 1 January 2014 to the date the financial statements were approved, the Committee comprised the following members: Sarah Havlin (Chair), Frances McCartney and Colin Kennedy.

Other attendees include Internal Audit, National Audit Office, NIO Sponsor Branch, Secretary to the Commission, Deputy Secretary to the Commission, External Accountant and Corporate Governance Manager of Parades Commission.

REGISTER OF INTERESTS

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

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

FINANCIAL MATTERS

AUDIT

The Comptroller and Auditor General has been appointed under section 12 (4) of schedule 1 to the Public Processions (Northern Ireland) Act 1998 to examine these accounts and report on the audit examination. The total fee of £15,000 in 2013-14 (2012-13: £11,000) relates to the provision of statutory audit services. He has not provided any other services to the Commission during the year.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

FINANCIAL RESULTS FOR THE YEAR

Net expenditure for the year was £914,294 (2012-13: £1,375,775). At the start of the financial year, the Commission was allocated a resource budget of £903,000 (2012-13: £937,000) and a capital budget of £100,000 (2012-13: £nil), specifically for the upgrade of the IT infrastructure and website / notification system. In July 2013, the Parades Commission lost a judicial review, resulting in costs of £14,000. The additional budget cover was allocated in January 2014, increasing the 2013-14 resource allocation to £917,000

PENSION LIABILITIES

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

PROMPT PAYMENT

The Parades Commission is committed to the prompt payment of bills for goods and services received in accordance with the code of practice launched by the Department for Business, Innovation and Skills in December 2008 to help increase the speed of payments between customers and their suppliers. During the financial year ended 31 March 2014 the Parades Commission achieved 64% of payments to suppliers within 5 working days. There are no comparable figures for 2012-13, as the 2012-13 statistics published related to suppliers paid within 10 working days.

EVENTS AFTER THE REPORTING DATE

There have been no significant events after the reporting date, which would affect the results for the year or the assets and liabilities at the year end.

OTHER MATTERS

MANAGING ATTENDANCE

The Parades Commission is comprised of seconded civil servants and manages attendance in line with the policies of secondees' parent departments. Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately four days per employee in 2013-14 (2012-13: three days).

RISK MANAGEMENT AND REGISTER

Within the executive processes of the Parades Commission, there is now embedded a corporate Risk Register in line with Government guidance. Risks are identified, assessed in terms of regularity of occurrence and impact, and then ranked in terms of priority.

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

PRINCIPAL RISKS

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

INFORMATION ASSURANCE

The Commission is committed to safeguarding personal data it holds and follows the Information Assurance policies of the NIO, as its parent Department. Risks in this area are recorded in the Commission's Risk Register, and the Commission receives regular reports on measures to minimise the likelihood of occurrence of these, and other, risks. There was one personal data related incident which was reported to the NIO on 10 February 2014. No further action was deemed necessary by NIO. Consequently, NIO policies on Mobile Phone Usage and Security Breach were circulated to all staff and Commissioners on 10 March 2014.

DISABLED EMPLOYEES

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

EQUAL OPPORTUNITIES

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

EMPLOYEE INVOLVEMENT

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

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

HEALTH AND SAFETY

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

SUSTAINABLE DEVELOPMENT

A full sustainable development report is not produced as the Parades Commission's staff complement is below the (250 employees) threshold. As a sponsored body of the NIO, the

Parades Commission is signed up to the Carbon Reduction Energy Efficiency Scheme run by the Department of Energy and Climate Change. The aim of the scheme is to lower national carbon emissions by encouraging departments and businesses to become more energy efficient through energy saving projects.

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

CORPORATE SOCIAL RESPONSIBILITY

The Parades Commission does not have a policy covering corporate and social responsibility.

CORPORATE GOVERNANCE

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

R MURRAY
Secretary and Accounting Officer
23 June 2014

REMUNERATION REPORT

REMUNERATION POLICY

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

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

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

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

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

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

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

SERVICE CONTRACTS

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

NICS appointments are made in accordance with the Civil Service Commissioners for Northern Ireland's Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Policy relating to notice periods and termination payments is contained in the NICS Staff Handbook. Further information about the Civil Service Commissioners can be found at www.nicscommissioners.org

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

AUDITED

COMMISSIONERS' NUMBERS AND COSTS

The total emoluments of the Commissioners (including the Chairperson) during the year ended 31 March 2014 amounted to £177,021 (2012-13: £187,407) and the expenses incurred by the Commission were £17,515 (2012-13: £41,454). This reduction is due to a review into how expenditure was split between costs associated with the Commissioners and those associated with the running costs of the Parades Commission.

There were two Chairpersons in post during the period 1 April 2013 and 31 March 2014. Peter Osborne was in post from 1 April 2013 to 31 December 2013 and Anne Henderson was in post from 1 January 2014 to 31 March 2014. The total remuneration of both Chair's during the period was £60,251, (2012-13: £55,749). £47,500 is in relation to Peter Osborne and £12,751 relates to Anne Henderson. Both the Chairperson and Commissioners are non-Northern Ireland Civil Service, therefore they are not pensionable. The salary entitlement of the Chair and Commissioners for 2013-14 was as follows:

AUDITED

The following members commenced membership of the Commission on 1 January 2011 and ceased membership on 31 December 2013 with exceptions listed below*.

Commission Member	2013-14		2012-13	
	Salary Range £000	Benefits in Kind (to nearest £100)	Salary Range £000	Benefits in Kind (to nearest £100)
Peter Osborne (Chair)	45-50 (FYE 60-65)	-	55-60	-
Douglas Bain	10-15 (FYE 15-20)	-	15-20	-
Delia Close	15-20 (FYE 20-25)	-	15-20	-
Brian Kennaway	15-20 (FYE 20-25)	-	20-25	-
Catriona King **	0	-	15-20 (20-25 FYE)	-
Frances Nolan	10-15 (FYE 15-20)	-	15-20	-
Robin Percival	15-20 (FYE 20-25)	-	20-25	-
George Patterson ***	10-15 (FYE 20-25)	-	-	-

* The Chair and members were paid on a per diem basis at the rates of £500 and £250 respectively. The amount of time that Commissioners are expected to devote to Commission business, over the course of a year, is an average of approximately two days per week with a proportionately greater commitment required during the summer months.

** Dr Catriona King resigned on 31 January 2013.

*** Mr George Patterson was appointed June 2013.

The following members commenced membership of the Commission on 1 January 2014. The term of office is for three years ending on 31 December 2017.

Commission Member	2013-14		2012-13	
	Salary Range £000	Benefits in Kind (to nearest £100)	Salary Range £000	Benefits in Kind (to nearest £100)
Anne Henderson (Chair)	10-15 (FYE 50- 55)	-	-	-
Sarah Havlin	5-10 (FYE 20- 25)	-	-	-
Colin Kennedy	5-10 (FYE 20- 25)	-	-	-
Frances McCartney****	5-10 (FYE 20- 25)	£2,000	-	-
Paul Hutchinson	5-10 (FYE 20- 25)	-	-	-

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

The Chair and members are paid annual salaries of £50,000 and £22,000 respectively. The Commissioners are expected to devote approximately two days per week to Commission business over the course of a year, with a proportionately greater commitment required during the summer months.

AUDITED

Single total figure of remuneration										
Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£)**		Total (£'000)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Mr Anthony Carleton *	65-70	65-70	-	-	-	-	7,628	0	75-80	65-70

* Mr Anthony Carleton was Secretary / Accounting Officer for the period 13 December 2011 to 6 June 2014.

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

There were no bonuses paid in 2013-14 (2012-13: £Nil).

	2013-14	2012-13
	Salary £000	Salary £000
Band of Highest Paid Director's/Commissioner's FTE Total Remuneration	100-105	105-110
Median Total Remuneration	£35,857	£33,931
Ratio	2.86	3.17

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

The full time equivalent banded remuneration of the highest paid Commissioner in the Parades Commission in the financial year 2013-14 was £100,000 - £105,000 (2012-13: £105,000-£110,000). This was 2.86 times (2012-13: 3.17 times) the median remuneration of the workforce, which was £35,857 (2012-13: £33,931). The decrease from 3.17 to 2.86 is mainly due to overtime and allowance payments being included within the calculation with a corresponding increase in the median salary. Commissioners' salaries have been calculated pro-rata to full time equivalent rates for the purposes of the median calculation.

Remuneration ranged from £18,946 to £105,000 (2012-13: £10,370 to £109,000). This upper range of £105,000 is a full-time equivalent figure based on the Chairs annual salary of £50,000.

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

	Real increase in pension at pension age and lump sum at 31/3/14	Total accrued pension at pension age at 31/03/14 and related lump sum	Cash Equivalent Transfer Value at 31/03/13	Cash Equivalent Transfer Value at 31/03/14	Real increase in CETV
	£000	£000	£	£	£
Anthony Carleton*	0-2.5 plus lump sum of 0-2.5	25-30 plus lump sum of 75-80	432	465	5

* Mr Anthony Carleton was Secretary / Accounting Officer for the period 13 December 2011 to 6 June 2014.

The actuarial factors used to calculate CETVs were changed in 2010-11.

SALARY

This report is based on accrued payments made by the Commission and thus recorded in these accounts. "Salary" includes gross salary; overtime; recruitment and retention allowances;

private office allowances and any other allowances to the extent that it is subject to UK taxation.

BENEFITS IN KIND

The monetary value of benefits in kind covers any benefits provided by the Parades Commission and treated by HM Revenue and Customs as a taxable emolument. Frances McCartney is not a resident of Northern Ireland and therefore is required to travel to Belfast to attend Commission meetings. The Parades Commission reimburses Ms McCartney for the costs of flights, transport, car parking and hotel (if required). These expenses are chargeable to tax under s163 of the Income and Corporation Taxes Act 1988, 2013-14: £2,031 (2012-13: £nil).

PENSION

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 1.5% and 6.25% of pensionable earnings for **classic** and 3.5% and 8.25% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2014. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

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

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

R MURRAY
Secretary and Accounting Officer

23 June 2014

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under paragraph 12(1) and para (2) of Schedule 1 to the Public Processions (Northern Ireland) 1998 Act, the Secretary of State (with the consent of HM Treasury and NIO) has directed the Parades Commission for Northern Ireland to prepare for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Parades Commission for Northern Ireland and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- observe the Accounts Direction issued by the NIO on behalf of the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, as set out in the Government Financial Reporting Manual, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

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

GOVERNANCE STATEMENT

Governance Statement

1. Introduction and Context

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

From 1 April 2013 – 31 December 2013, the Commission consisted of seven Commissioners including its Chair. A new Commission was appointed from 1 January 2014, consisting of five Commissioners, including its Chair. It is supported by a secretariat. The secretariat had on average 10 seconded staff, including the Secretary, also seconded. The Commission normally meets on a weekly basis and its approval is required for any significant changes relating to the operation of the Commission. The Commission also has an Audit and Risk Committee which aims to meet formally three times a year, or more frequently as required, to assist and advise the Accounting Officer on his governance responsibilities. Any recommendations made by the Audit and Risk Committee have to be approved by the Commission.

The Secretary and senior management meet with the sponsor branch within the NIO on a quarterly basis to discuss corporate issues.

The Parades Commission complies with the *Corporate Governance in Central Government Departments: Code of Good Practice 2011*, as far as is applicable to a body of its size. There have been no departures from the Code in 2013-14.

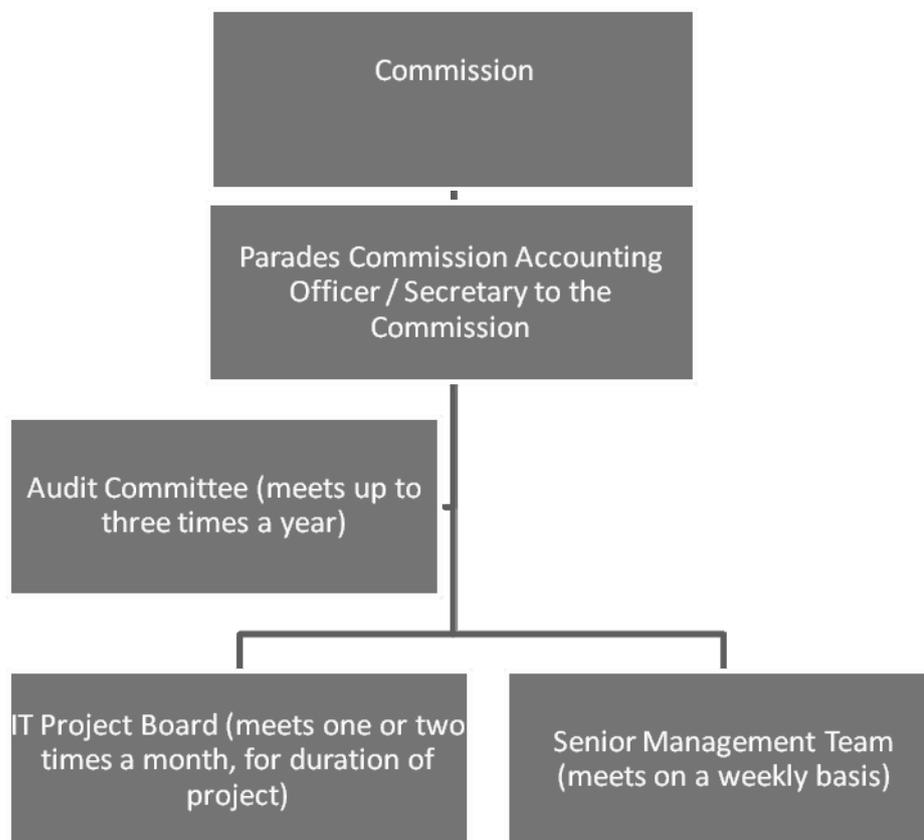
2. Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Parade's Commission policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. As such, I am responsible for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operation and management of the Commission.

In my role as Secretary to the Commission, I am responsible for the effective operation of the secretariat and for managing its financial and manpower resources. I provide advice and support to the Chair and Commissioners in support of their aims and objectives and in undertaking their statutory responsibilities. One of the statutory responsibilities is "to keep under review, and make such recommendations as it thinks fit to the Secretary of State, concerning, the operation of the Act". There were no Ministerial directions in the 2013-14 financial year.

3. Governance Framework

In my role as Accounting Officer, I function with the support of the Audit and Risk Committee, IT Project Boards and my Senior Management Team. This structure is outlined in the diagram below:



Audit Committee

The Audit Committee supports the Accounting Officer and the Commission in their responsibilities for issues of risk, control and governance by reviewing whether proportionate assurances for meeting the Commissions and Accounting Officers responsibilities are available and by testing the reliability and integrity of these assurances. This includes oversight of the effective operation and impact of the Management Statement and Financial Memorandum and the Commissions business planning process. The Audit Committee is comprised of three Commissioners and is attended by the Accounting Officer, Corporate Governance Manager, Internal Audit, the National Audit Office as external auditors and the sponsor branch. The Committee meets three times per year and more frequently as required. In addition to providing all Commissioners with a copy of the minutes of meetings of the Committee, the Chair of the Audit Committee briefs the Commission after each meeting.

The Chair of the Audit Committee is in post for one year. The role of Chair is rotated between its members during their term.

Membership and attendance at the Audit Committee is disclosed in table below:

Commissioner / Secretariat	Audit Committee Attendance
Brian Kennaway (Chair)*	1/1
Delia Close*	1/1
Robin Percival*	0/1
Sarah Havlin (Chair)**	0/0
Frances McCartney**	0/0
Colin Kennedy**	0/0
Anthony Carleton***	1/1

* Commission member up to 31 December 2013.

** Appointed 1 January 2014. The first audit committee did not meet until May 2014.

*** Mr Anthony Carleton was Secretary / Accounting Officer for the period 13 December 2011 to 6 June 2014.

Whilst the Committee met only once during the 2013-14 year, meetings were held in March 2013 and May 2014. This timetable was due to delays in finalizing the 2012-13 annual report and accounts (due to the HMRC legacy issue), a busy parading season in 2013 requiring Commissioner and secretariat time and the appointment of the new Commission in January 2014.

The Audit Committee, over the course of the year (including May 2014), fulfilled its role in reviewing the comprehensiveness of assurances, risk processes, and the integrity of financial reports to be able to provide assurance on same to the Commission.

During the 2013-14 financial year the Audit Committee advised the Commission on the following significant areas:

- The accounting policies, the accounts and the annual report of the organization, including the process for review of the accounts prior to submission for audit, level of errors identified and managements letter of representation to the external auditors;
- The planned activity and results of both internal and external audit;
- The adequacy of managements responses to issues identified by audit activity, including external audits Completion letter and the progress on the implementation of recommendations from internal and external audit reports;
- And specific, significant issues for the attention of the Committee i.e. the £431,000 HMRC liability.

IT Project Board

The upgrade of the Parades Commission ICT system was the only capital project in 2013-14. The contract was awarded in October 2013 and work was initiated promptly. From its inception, the delivery of the project has been overseen by an IT Project Board. The Project Board provides clear lines of accountability and roles and relationships within the project, and provides advice and assurance to me, as the Accounting Officer.

The Project Board is chaired by the Secretary/Accounting Officer with the Deputy Secretary and Corporate Governance Manager in attendance. The Project Board met at least once a month to monitor and manage progress on the project.

Membership and attendance at the Project Board is disclosed in the following table:

Secretariat	Attendance
Anthony Carleton*	6/6
Trevor Palmer (Deputy Secretary)	6/6
Sarah-Jane Mowbray (Corporate Governance Manager)**	5/5

* Mr Anthony Carleton was Secretary / Accounting Officer for the period 13 December 2011 to 6 June 2014.

**Started employment on 9 December 2013. The first project board met on 6 November 2013.

The Commission conducts its affairs in accordance with a comprehensive corporate governance framework. Although not part of central government, the Commission is expected to follow the Corporate Governance Code (*Corporate governance in central government departments, code of good practice, published by HM Treasury and the Cabinet Office, July 2011*) as far as applicable. The Commission has a comprehensive Management Statement and Financial Memorandum (MSFM) agreed with the NIO which sets down its values and principles, and lines of accountability. This framework document is discussed informally with the sponsor branch quarterly and reviewed formally every four years.

Stewardship Statements are completed bi-annually within the secretariat and are sent to the sponsor branch. The purpose of the statement is to improve management and control by identifying managements specific responsibilities and seeking a written assurance that the have been exercised with due care and attention. These statements also inform the content of this Governance Statement.

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

4. Commission's Performance

The Commission, in place to 31 December 2013, critically examined how it operated and reflected on the improved processes it introduced, such as a structured agenda to the Audit Committee meetings.

To ensure that corporate governance was maintained between the Commission in place to 31 December 2013 and the Commission appointed 1 January 2014, an induction day was held on 19 December 2013 for the Commission appointed 1 January 2014. The Commission were presented with an induction pack, which included all the relevant Parades Commission policies and procedures, including corporate governance documentation. Internal Audit completed a review of the induction pack to ensure that induction pack was appropriate and of a good quality. Internal Audit concluded that the pack was detailed, comprehensive and was in accordance with good practice.

The Commission, appointed 1 January 2014, are currently learning the systems and processes within the Parades Commission, with a view to making recommendations for improvement, where appropriate. On 25 February 2014, the Commission and secretariat had a day of 'Strategic Planning 2014-17'. The Commission formulated four strategic objectives which

they would like to achieve, in the three year term. The strategic objectives seek to empower and support communities to take control and make their own decisions; commit to improving strategic engagement with parade organisers, protest groups and wider groups; and, to explore strategic partnerships within the education sector to enhance the work of the Commission. This strategic document can be found on the website.

Once the Commission had plotted the strategic objectives for its three year term, it was in a sound position to develop its objectives for the forthcoming year, forming a basis for the 2014-15 Business Plan. The objectives set for 2014-15 reflect the Commissions statutory duties and functions, incorporating its strategic vision. The 2014-15 Business Plan can be found on the website.

The Commission promptly appointed three members to sit on the Audit Committee. On 29 January 2014, two of the Commission Audit Committee members met with the Secretariat to discuss details of the Audit Committee. The secretariat provided the Commission members with an Audit Committee Induction pack, which included all relevant policies and procedures relating to the Audit Committee.

Throughout 2013-14, both Commissions effectively discharged their statutory functions and duties as they listened to evidence and where necessary, issued determinations on parades and parade related protests. On one occasion, there were insufficient Commission members to meet quorum. However, this did not impact on the Commission issuing determinations, as procedures are in place to deal with such scenarios. This has been included on the risk register. In line with best practice, the operational procedures of the Commission and the quality of data used by the Commission are kept under continuous review to ensure that the Commission is content that it is provided with all requisite information to enable it to make informed decisions. With regards to operational procedures, the Commission are undertaking several reviews internally, to ensure the procedures are effective or make recommendations for improvement. The Commission appointed on 1 January 2014 are gaining experience of parading and Commission-related business. Following their appointment, Corporate Governance has become a standing item on the weekly agenda. A brief update is provided weekly and a full account once a month, including a budget against spend report. The Commissioners did not raise any concerns over the quality of information they receive, in the self-assessment evaluation.

The Commissioners completed a self-assessment evaluation, to evaluate the first three months of appointment. There was a general consensus that Performance Management and The Commission Meetings were operating effectively. One area highlighted for improvement is Risk Management, to ensure that the Commission is clear on its risk appetite and has a sound process for identifying and regularly reviewing its principal risks and makes the necessary amendments in light of changes in the internal and external environment. Consequently, the Parades Commission Risk Management Policy has been circulated amongst the Commissioners, to fully inform them in areas such as risk identification and risk appetite. Additional training will be provided, if considered necessary. The Commissioner's identified a lack of regular reporting of Propriety and Fraud. To address this, "Propriety and Fraud" will become an Agenda item on the monthly governance update to the Commission.

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

5. Risk Assessment

The Commissions corporate governance controls are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can

therefore only provide reasonable and not absolute assurance of effectiveness. Risks are managed on an ongoing basis in a process that is designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Parades Commission for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance. The system is based on a framework of regular management information, administrative procedures, including the segregation of duties, and a system of delegation and accountability. In particular it includes:

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

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

The Commission operates a "traffic light" corporate risk register in line with Government guidance. The Commission revised its corporate risk register based upon feedback received from its Internal and External Audit Service. The register was kept under constant review, with a formal quarterly review, and updated by senior management as necessary. Risks were identified, assessed in terms of likelihood of occurrence and impact and degree of risk. Senior management considered signs of risks changing, examined existing risk control tools and, if necessary, took remedial action.

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

During the course of the year our main risks were reputational and risks to our infrastructure, including maintenance of IT and protection of our information. A risk which has raised its profile in 2013-14 is that the Commission will not be able to perform its statutory function due to insufficient Commission members in a meeting and quorum not being met. On one occasion, there were insufficient Commission members to meet quorum. However, this did not impact on the Commission issuing determinations, as control procedures are in place to deal with such scenarios.

A new risk in 2013-14 is the additional legal costs as a result of a lost judicial review. The controls in operation around this risk include evidence based, objective determinations, legally qualified Commissioners and ensuring all information and representations are available to the Commissioners. Proposed controls, not yet in operation, include updating and revising Commission protocols and reviewing the position with regards to the use of independent observer reports.

On-going operational risks are managed as follows:

- As an on-going process any risk is identified, evaluated and controlled by me and my senior management team and following advice from the Audit Committee;
- Any changes to the assessment and evaluation of risk noted by the Audit and Risk Committee and ratified by the full Commission;

- And the full Commission's lead on determining and evaluating the Commission's risks.

These risks are communicated to staff by management, at monthly secretariat meetings and in the risk register.

6. Personal Data Related Incidents

There was one personal data related incident which was reported to the NIO on 10 February 2014. No further action was deemed necessary by NIO. Consequently, NIO policies on Mobile Phone Usage and Security Breach were circulated to all staff and Commissioners on 10 March 2014.

7. Internal Audit

In 2013-14, ASM were appointed as internal auditors to the Parades Commission, by a Direct Award Contract (DAC). It was necessary to appoint ASM using a DAC as it was proposed that Parades Commission would use the services of the NIO Internal Audit services. However, during the 2013-14 year, it materialised that this was not possible. Therefore, due to time constraints and to ensure there was Internal Audit service in 2013-14, reappointment by a DAC was deemed appropriate. The services provided by ASM operate to standards defined by the Public Sector Internal Audit Standards.

Internal Audit's work plan is informed by an analysis of the risk to which the Commission is exposed. The work of Internal Audit focused on areas of key activities determined by this analysis of the areas of greatest risk.

Internal Audit findings are presented to the Audit and Risk Committee and copies of all final reports are sent to me, as Accounting Officer. In addition, Internal Audit provides an annual written statement to the Audit and Risk Committee, setting out a formal opinion on the adequacy and effectiveness of the Committees risk management, control and governance processes.

Internal Audit conducted reviews on the following activities during 2013-14:

- IT Management;
- Review of Taxation Issues;
- Induction Process for New Commissioners;
- Follow-up Review;
- *A Review of the Procurement and Contract Management Arrangements in Relation to Stakeholder.

* This piece of work was not originally included as part the Internal Audit 2013-14 work plan. It was completed at the request of the Chair of the Commission.

Three of the reports above (Review of Taxation Issues; Induction Process for New Commissioners; and Review of the Procurement and Contract Management Arrangements in Relation to Stakeholder) were "advice and guidance" letters, therefore not attracting an "assurance" rating. The IT Management report was given a "substantial" level of assurance. In the Annual Assurance Statement, the Internal Auditors stated that, during the twelve month period ended 31 March 2014; the Commissions systems in relation to risk management, control and governance were adequate and operated effectively, thereby providing an overall satisfactory assurance in relation to the effective and efficient achievement of the Commissions objectives.

8. Significant Internal Control Issues

The Audit Committee formally met only once during 2013-14, however there was a meeting in March 2013 and May 2014. It met only once due to the HMRC legacy issue delaying the completion of the 2012-13 financial statements, a busy parading season requiring Commissioner and secretariat time and the appointment of the new Commission on 1 January 2014. The 2012-13 financial statements were laid in Parliament in February 2014.

There were no other significant internal control issues identified during 2013-14.

R MURRAY
Secretary and Accounting Officer

23 June 2014

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

I certify that I have audited the financial statements of Parades Commission for Northern Ireland for the year ended 31 March 2014 under the Public Processions (Northern Ireland) Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Commission, Secretary and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Parades Commission for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Parades Commission for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Parades Commission for Northern Ireland's affairs as at 31 March 2014 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Public Processions (Northern Ireland) Act 1998 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Public Processions (Northern Ireland) Act 1998; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Date 25 June 2014

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

**Statement of Comprehensive Net Expenditure
for the year ended 31 March 2014**

		2013-14	2012-13
	Notes	£	£
Expenditure			
Staff costs	2	531,157	905,342
Other Expenditures	4	374,398	362,068
Depreciation and amortisation	4	6,973	7,563
Revaluation	4	1,766	-
Notional Charges	4	-	13,526
Net Expenditure		914,294	1,288,499
Interest Payable		-	87,276
Net Expenditure after interest		914,294	1,375,775
Other Comprehensive Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	1,278	(2,390)
Net (gain)/loss on revaluation of Intangibles	7	255	(492)
Total Comprehensive Expenditure for the year ended 31 March 2014		915,827	1,372,893

The above expenditure is derived from continuing operations.

The notes on pages 38 - 48 form part of these accounts.

**Statement of Financial Position
as at 31 March 2014**

		2013-14		2012-13	
	Notes	£	£	£	£
Non-current assets:					
Property, plant and equipment	6		47,044		18,024
Intangible assets	7		63,699		2,928
Total non-current assets			110,743		20,952
Current assets:					
Trade and other receivables	9	24,937		20,383	
Cash and cash equivalents	10	-		100	
Total current assets			24,937		20,483
Total assets			135,680		41,435
Current liabilities:					
Trade and other payables	11	(154,868)		(560,847)	
Total current liabilities			(154,868)		(560,847)
Non-current assets less net current liabilities			(19,188)		(519,412)
Non-current liabilities:					
Other Payables			-		-
Assets less liabilities			(19,188)		(519,412)
Taxpayers' equity					
Revaluation reserve			356		8,157
General reserve			(19,544)		(527,569)
			(19,188)		(519,412)

The financial statements on pages 34-37 were approved by the Commission on 11 June 2014 and were signed on its behalf by:

R MURRAY

23 June 2014

Accounting Officer

Date

The notes on pages 38 - 48 form part of these accounts.

**Statement of Cash Flows
for the year ended 31 March 2014**

		2013-14	2012-13
	Notes	£	£
Cash flows from operating activities			
Net Expenditure after interest		(914,294)	(1,375,775)
Adjustments for non-cash transactions:			
Depreciation & amortisation	6,7	6,973	7,563
Revaluations through SoCNE		1,766	-
Notional Charges	4	-	13,526
(Increase) / decrease in trade and other receivables	9	(4,554)	(9,147)
<i>Less movements in receivables relating to items not passing through the Net Expenditure account</i>			
Increase / (decrease) in trade payables	11	(405,979)	439,934
<i>Less movements in payables relating to items not passing through the Net Expenditure account</i>		(45,006)	-
Net cash outflow from operating activities		(1,361,094)	(923,899)
Cash flows from investing activities			
Purchase of property, plant and equipment		(26,257)	(2,264)
Purchase of intangible assets		(28,800)	-
Net cash outflow from investment activities		(55,057)	(2,264)
Cash flows from financing activities			
Funding from Parent Department		1,416,051	926,163
Net cash inflow from financing activities		1,416,051	926,163
Net decrease in cash and cash equivalents in the period	10	(100)	-
Cash and cash equivalents at the beginning of the period	10	100	100
Cash and cash equivalents at the end of the period	10	-	100

The notes on pages 38 - 48 form part of these accounts.

**Statement of Changes in Taxpayers Equity
for the year ended 31 March 2014**

		General Reserve	Revaluation Reserve	Total Reserves
	Notes	£	£	£
Balance at 31 March 2012		(91,483)	5,275	(86,208)
Changes in taxpayers' equity for 2012-13				
Net gain/(loss) on revaluation of property, plant and equipment	6	-	2,390	2,390
Net gain/(loss) on revaluation of intangible assets	7	-	492	492
Comprehensive Expenditure for the year		(1,375,775)	-	(1,375,775)
Notional Charges	4	13,526	-	13,526
Funding from Parent		926,163	-	926,163
Balance at 31 March 2013		(527,569)	8,157	(519,412)
Changes in Taxpayers' equity for 2013				
Net gain/(loss) on revaluation of property, plant and equipment	6		(1,278)	(1,278)
Net gain/(loss) on revaluation of intangible assets	7		(255)	(255)
Comprehensive Expenditure for the year		(914,294)	-	(914,294)
Transfers between reserves		6,268	(6,268)	-
Funding from Parent		1,416,051	-	1,416,051
Balance at 31 March 2014		(19,544)	356	(19,188)

The element of the closing revaluation reserve relating to intangibles is £71 (2012-13: £492).

The notes on pages 38 - 48 form part of these accounts.

Notes to the Parades Commission Accounts for the year ended 31 March 2014

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Parades Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Parades Commission for the year ending 31 March 2014 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

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

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

1.2 Critical accounting estimates and key judgements

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

(i) - Depreciation of property, plant and equipment

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

(ii) - Impairment of property, plant and equipment

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

1.3 Funding

The Parades Commission is funded directly from expenditure voted by Parliament to the NIO.

1.4 Property, plant and equipment and depreciation

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

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

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

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

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

1.5 Intangible Assets

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

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

Intangible assets are re-valued annually using appropriate indices compiled by the ONS.

Amortisation is provided on a straight line basis. The estimated useful lives for amortisation purposes are:

Software licences	5 years
Website development	5 years

1.6 Operating Leases

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

1.7 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) and the Principal Civil Service Pension Schemes (NI) (PCSPS (NI)) which are described in Note 2. The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The

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

1.8 Value Added Tax

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

Figures reported in the 2012-13 accounts include VAT charged. The 2012-13 Statement of Comprehensive Net Expenditure includes a VAT cost of £21,580 reclaimed in error in 2011-12 and credited in 2011-12 accounts. This charge has been allocated across the categories of spend to which it relates, in 2012-13.

1.9 Staff Costs

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end.

1.10 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2014

The Parades Commission has reviewed the standards, interpretations and amendments to published standards that became effective during 2013-14 and which are relevant to its operations i.e. IAS 19. The adoption of this standard has not had a significant impact on the Commission's financial position or results.

1.11 Impending application of newly issued accounting standards not yet effective

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

1.12 Segmental Reporting

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

1.13 Notional Costs

The Crown Solicitor's Office (CSO) provides legal services to the Parades Commission. A policy change during 2013-14 meant CSO would hard-charge the Parades Commission for the cost of legal services provided. Prior to this change, there was no payment made for these services, with notional charges for the cost of services being made through the Statement of Comprehensive Net Expenditure.

2. Staff numbers and related costs

Staff costs comprise:

	2013-14			2012-13
	Total	Seconded staff	Agency Staff	Total
	£	£	£	£
Wages & Salaries	438,675	432,138	6,537	532,737
Social security costs	41,016	41,016	-	305,410
Other pension costs	51,466	51,466	-	67,195
Total net costs	531,157	524,620	6,537	905,342

The Principal Civil Service Pension Scheme (PCSPS) and PCSPS(NI) are unfunded multi-employer defined benefit schemes but the Parades 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 2007. Details of the PCSPS can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk). Details of the PCSPS (NI) are available in the PCSPS (NI) resource accounts.

For 2013-14, total employers' contributions of £51,466 (2012-13: £67,195) were payable to the PCSPS(NI) and PCSPS at rates in the range 16.7% to 24.3% of pensionable pay for PCSPS and 18% to 26% per cent of pensionable pay for PCSPS(NI), based on salary bands. The PCSPS and PCSPS(NI) schemes actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners. The remuneration report on pages 17-22 contains detailed pension information.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £51,466 (2012-13: £67,195) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% (2012-13: 3% to 12.5%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. No employees of the Commission have opted for a pension partnership account during 2013-14.

There were no early retirements on ill-health grounds in 2013-14 or 2012-13. There are no additional accrued pension liabilities in the 2013-14 or 2012-13 years.

The anticipated pension contributions for PCSPS(NI) and PCSPS for the period 2014-15 amount to £59,620.

The level of Parades Commission participation in the PCSPS(NI) and PCSPS scheme is minimal, compared with other participating entities, as there are only 10 secretariat staff contributing.

In 2012-13, social security costs included £261,179 of PAYE and National Insurance due on payments made to Authorised Officers during the period 2003 to 2011. Authorised Officers engaged by the Parades Commission were considered by the Parades Commission to be engaged on a self-employed basis and paid accordingly during these years. HMRC have since

determined these engagements constituted an employed rather than self-employed status for tax purposes. This change in status gave rise to the additional charge of £261,179. HMRC also assessed interest of £87,276 and penalties of £85,286 payable in respect of the additional liability and these amounts were charged through the 2012-13 Statement of Comprehensive Net Expenditure.

Average number of persons employed

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

	2013-14			2012-13
	Total	Seconded staff	Agency Staff	Total
Directly employed	9	9	-	10
Other	8	7	1	8
Total	17	16	1	18

The Commissioners are expected to devote approximately two days per week to Commission business over the course of a year, with a proportionately greater commitment required during the summer months. Each commissioner is included as 1 whole-time equivalent person in the above numbers.

3. Reporting of Civil Service and other compensation schemes – exit packages

There were no redundancy or departure costs paid or payable by the Parades Commission in 2013-14 in respect of Civil Service or other compensation schemes. (2012-13: Nil)

4. Other Expenditure

		2013-14	2012-13
	Note	£	£
Other Expenditures:			
Professional Advisers Fees		127,536	73,243
Rent and Rates		58,950	57,475
Rentals under operating leases		49,368	37,160
Computer Maintenance		28,050	7,701
Advertising & Publications		26,109	30,336
Travel, subsistence & hospitality		17,192	11,260
Auditor's remuneration		15,000	11,000
Accommodation costs		14,929	12,600
Telecommunications		12,836	18,409
Other Expenditure		9,763	12,869
Mediation		7,274	-
Training		5,629	1,333
Courier service		1,762	3,396
Penalties payable to HMRC		-	85,286
		374,398	362,068

Non-cash items:			
Depreciation	6	6,081	6,585
Amortisation	7	892	978
Revaluations through SoCNE	6,7	1,766	-
Notional costs		-	13,526
Total		383,137	383,157

No Interest is charged to the Statement of Comprehensive Net Expenditure in 2013-14 (2012-13 £87,276). Interest of £87,276 was charged to the Statement of Comprehensive Net Expenditure as a result of an underpayment of PAYE and National Insurance contributions to HMRC from 2003 to 2011 in respect of payments made to Authorised Officers.

Notional costs in 2012-13 (£13,526) consisted of fees from the CSO; in 2013-14 CSO fees (£42,255) are hard charged and have been included within Professional Advisors Fees.

Consultants fees, 2012-13 (£6,409), have been included within "Professional Advisers Fees" in 2013-14.

5. Income

There was no income received in 2013-14 (2012-13 £nil).

6.a Property, Plant and Equipment

	* Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	£
Cost or valuation				
At 1 April 2013	19,790	26,580	21,972	68,342
Additions	-	38,145	-	38,145
Revaluations through SoCNE	-	(1,449)	(317)	(1,766)
Revaluations	-	(1,618)	(192)	(1,810)
At 31 March 2014	19,790	61,658	21,463	102,911
Depreciation				
At 1 April 2013	19,790	13,400	17,128	50,318
Charged in year	-	5,487	594	6,081
Revaluations	-	(532)	-	(532)
At 31 March 2014	19,790	18,355	17,722	55,867
Carrying amount at 31 March 2014	-	43,303	3,741	47,044
Carrying amount at 31 March 2013	-	13,180	4,844	18,024
Asset financing:				
Owned	-	43,303	3,741	47,044
Carrying amount at 31 March 2014	-	43,303	3,741	47,044

6.b Property, Plant and Equipment (continued)

	* Leasehold improvements	Information Technology	Furniture & Fittings	Total
	£	£	£	
Cost or valuation				
At 1 April 2012	19,790	27,919	21,811	69,520
Additions	-	2,263	-	2,263
Disposals	-	(6,947)	-	(6,947)
Revaluations	-	3,345	161	3,506
At 31 March 2013	19,790	26,580	21,972	68,342
Depreciation				
At 1 April 2012	19,790	13,342	16,433	49,565
Charged in year	-	5,958	627	6,585
Disposals	-	(6,947)	-	(6,947)
Revaluations	-	1,047	68	1,115
At 31 March 2013	19,790	13,400	17,128	50,318
Carrying amount at 31 March 2013	-	13,180	4,844	18,024
Carrying amount at 31 March 2012	-	14,577	5,378	19,955
Asset financing:				
Owned	-	13,180	4,844	18,024
Carrying amount at 31 March 2012	-	13,180	4,844	18,024

* "Leasehold improvements" are fully depreciated. The Parades Commission is moving accommodation in 2014, therefore it was not considered necessary to re-life these assets.

7.a Intangible assets

	Software licenses	Website Under Construction	Total
	£	£	£
Cost or valuation			
At 1 April 2013	12,760	-	12,760
Additions	-	61,918	61,918
Revaluations	(425)	-	(425)
At 31 March 2014	12,335	61,918	74,253
Amortisation			
At 1 April 2013	9,832	-	9,832
Charged in year	892	-	892
Revaluations	(170)	-	(170)
At 31 March 2014	10,554	-	10,554
Carrying amount at 31 March 2014	1,781	61,918	63,699
Carrying amount at 31 March 2013	2,928	-	2,928
Asset financing:			
Owned	1,781	61,918	63,699
Carrying amount at 31 March 2014	1,781	61,918	63,699

7.b Intangible assets (continued)

	Software licenses	Websites	Total
	£	£	£
Cost or valuation			
At 1 April 2012	12,144	-	12,144
Revaluations	616	-	616
At 31 March 2013	12,760	-	12,760
Amortisation			
At 1 April 2012	8,730	-	8,730
Charged in year	978	-	978
Revaluations	124	-	124
At 31 March 2013	9,832	-	9,832
Carrying amount at 31 March 2013	2,928	-	2,928
Carrying amount at 31 March 2012	3,414	-	3,414
Asset financing:			
Owned	2,928	-	2,928
Carrying amount at 31 March 2013	2,928	-	2,928

8. Financial instruments

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

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Parades Commission is not exposed to significant credit risk. The maximum exposure to credit risk is represented by the carrying amounts of the trade receivables carried in the Statement of Financial Position.

Liquidity risk

The Parades Commission resource requirements are financed by the NIO and are not, therefore, exposed to significant liquidity risks.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Parades Commission is not exposed to any currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All of the NIO's financial assets and liabilities carry nil or fixed rates of interest. The Parades Commission is therefore not exposed to any interest rate risk.

9. Trade receivables and other current assets

	2013-14	2012-13
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	24,937	6,349
Other receivables	-	14,034
	24,937	20,383

Trade receivables does not include any amounts receivable from other government bodies (2012-13: £14,034).

10. Cash and cash equivalents

	2013-14	2012-13
	£	£
Balance at 1 April	100	100
Net change in cash and cash equivalent balances	(100)	-
Balance at 31 March	-	100
The following balances at 31 March were held at:		
Cash in hand	-	100
Balance at 31 March	-	100

The Parades Commission does not operate its own bank account. The NIO make payments on behalf of the Parades Commission.

11. Trade payables and other current liabilities

	2013-14	2012-13
	£	£
Amounts falling due within one year:		
Trade payables	48,713	3,134
Accruals and deferred income	104,155	296,534
Other taxation and social security	2,000	261,179
	154,868	560,847

Trade payables and other current liabilities includes £55,253 payable to other government bodies (2012-13: £503,413).

12. Commitments under leases

12.1 Operating leases

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

	2013-14	2012-13
Buildings	£	£
Not later than one year	37,028	49,370
Later than one year and not later than five years	-	-
Later than five years	-	-
	37,028	49,370

The property lease in 2013-14 expired on 31 March 2014. A new lease is under review for the period 1 April 2014 to 31 December 2014.

12.2 Finance leases

The Parades Commission has no obligations under finance leases.

13. Capital Commitments

The Parades Commission does not have any capital commitments as at 31 March 2014.

14. Contingent Liabilities disclosed under IAS 37

As referred to in 6.b above, the Parades Commission plans to relocate in 2014-15. Vacating the current premises may attract dilapidation costs, however, at this stage there has been no indication from the landlord what these costs may amount to, if at all.

The Parades Commission has no other contingent liabilities at 31 March 2014 (2012-13 £nil).

15. Related-party transactions

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

The NIO is regarded as a related party. During the year, the Parades Commission has had various material transactions with the NIO including the CSO.

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

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

16. Events after the Reporting Date

There were no events after the Reporting date which required disclosure or adjustment of the Accounts.

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

