NORTHERN IRELAND HUMAN RIGHTS COMMISSION

Annual Report and Accounts 2017-18

HC 1422

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Annual Report and Accounts 2017-18

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9 July 2018

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

Dear Secretary of State

I have pleasure in submitting to you, as required by paragraph 5(1) of Schedule 7 of the Northern Ireland Act 1998, the nineteenth Annual Report of the Northern Ireland Human Rights Commission. It shows how the Commission has performed its functions during the year 1 April 2017 to 31 March 2018.

The Annual Report and Accounts includes the Commission's financial statements for the year ending 31 March 2018, which have been prepared in accordance with Paragraph 7 of Schedule 7 of the Northern Ireland Act 1998, and which were approved and certified by the Comptroller and Auditor General on 9 July 2018.

Yours sincerely

Les Allamby
Chief Commissioner

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This document can be made available in other formats upon request.
It is available for download at *www.nihrc.org*

Performance Report

Overview

Chief Commissioner's Foreword

The Annual Report reveals the breadth and impact of the work of the Commission during 2017/18 which given our modest resources is a matter of considerable pride. The report also conveys in restrained terms the frustration felt in having operated throughout the year in the absence of a working Northern Ireland Assembly.

The Commission's Annual Statement launched in the Long Gallery in Stormont in December 2017 marked the first time without a green light to denote an identified human rights issue had been effectively resolved by the UK government, Northern Ireland Executive or other relevant public bodies. A number of outstanding issues would almost certainly have been progressed to a satisfactory conclusion had the Northern Ireland Executive and Northern Ireland Assembly been functioning effectively.

The Commission's legal challenge to whether the current law on access to termination conforms to human rights law was heard in the Supreme Court over three days in October 2017 following judgment in the Northern Ireland Court of Appeal four months earlier. On the day judgment was given in Belfast, the Westminster government announced that women normally resident in Northern Ireland would no longer be charged by the NHS for abortions received in England. The subsequent guidance for arrangements was published as the Supreme Court sat to consider the Commission's appeal.

The Committee on the Elimination of Discrimination against Women (CEDAW) produced its report in July 2017 finding that the current criminal law arrangements amounted to a grave and systematic violation of human rights. This conclusion was subsequently rejected by the UK government in its response to the CEDAW committee's report. The Supreme Court is due to give judgment in 2018/19.

An unusual by-product of taking such a controversial case was it led to an engagement and subsequent partnership with the Evangelical Alliance to produce an animation for schools and other groups on freedom of thought, conscience and religion. The Alliance had held a prayer vigil outside the Commission's premises on a frosty evening in December 2016. We had invited the Alliance members in for coffee and an opportunity to discuss each others work. In turn, this led to meeting more formally and organically to the work on freedom of thought, conscience and religion. The partnership on the specific project did not entail either organisation from resiling on its sincerely held differences on particular issues. The final version was enhanced by the involvement of an organisation working close to the ground on the issue and followed similar partnerships with

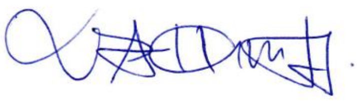
Women's Aid, Law Centre (NI), Rainbow, Simon Community, Carers NI and the Prince's Trust. It is tangible evidence of the Commission's commitment to working with organisations across a wide range of interests.

The Commission's role as chair of the Commonwealth Forum of National Human Rights Institutions came to an end at the Commonwealth Heads of Government meeting and has overlapped with the upgrading with additional resources of the joint committee of the Commission and the Irish Human Rights and Equality Commission as outlined in the Belfast (Good Friday) Agreement. The joint committee issued its policy statement on the UK withdrawal from the European Union setting out six key recommendations to enable the continuing protection of human rights on the island of Ireland. Alongside the policy statement a commissioned discussion paper on the detailed issues contained in the agreement between the UK government and the EU27 in December 2017 was also published. This initiative is a recognition of the significant potential implications posed for human rights and equality protection by the UK government's withdrawal from the European Union.

The Commission produced and launched its latest human rights investigation into Traveller accommodation in Belfast City Hall in March 2018. The title 'Out of Sight, Out of Mind' neatly encapsulates the circumstances travellers currently face where their needs have been largely neglected and forgotten. The Commission also published and implementation plan outlining our intentions to engage with government departments, public authorities, traveller support groups and travellers to create the best possible opportunity for the recommendations to be met.

Finally, this has been a significant year of change with a complete turnover of Commissioners, a new Chair of an audit committee and Chief Executive.

I want to record my deep gratitude to the outgoing Commissioners, Director and Chair of the Audit Committee for their work and to welcome the new incumbents. It is testimony to their work and that of the new Commissioners and staff that the change has been made so seamlessly and that the important work of the Commission has continued unabated.



Les Allamby
Chief Commissioner

Statement of Purpose and Activities of the Organisation

Introduction

I am pleased to report on the achievements of the Northern Ireland Human Rights Commission in 2017-18.

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

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

In March 2017 the Commission was successfully re-accredited as an A status institution. This remains valid until the next periodic review in 2020.

What we do

The Commission protects and promotes the human rights of everyone in NI. We consider the full range of civil, political, social, economic and cultural rights. Our work is principally based on the international human rights treaties ratified by the UK Government and relevant soft law standards.

Our role includes:

- Providing advice on legislative Bills introduced in the NI Assembly and on policy proposals made by Ministers in the NI Executive. We also provide advice to the UK Government and Parliament on matters affecting human rights in NI.
- Conducting investigations on systemic human rights issues. We can enter places of detention, and may compel individuals and agencies to give oral testimony or to produce documents.
- Promoting understanding and awareness of the importance of human rights in NI. To do this we may undertake or support research and educational activities.
- Providing legal advice and initiating strategic legal cases.
- Contributing to the monitoring of international human rights treaties in NI.

- Engaging with other national human rights institutions in the UK and working in partnership with the Irish Human Rights and Equality Commission.

Our Annual Statement, published in December, records progress made by the government and public authorities on meeting human rights standards. The 2017 statement was, for the sixth consecutive year, sponsored and introduced by the Speaker of the NI Assembly.

In 2017, the Commission continued in its elected role as chair of the Commonwealth Forum of National Human Rights Institutions. This position reflects the esteem in which we are held internationally and is an important opportunity to share our own experiences, facilitate dialogue and learn from others to achieve direct benefits for the people of NI. We are supported by the UK Foreign and Commonwealth Office and Cabinet Office to undertake to work, and maintain a close partnership with the Commonwealth Secretariat. (Further information on the Commission's work as Chair of the Commonwealth Forum of National Human Rights Institutions is available at: http://cfnhri.org).

The Commission has continued to operate in accordance with its Strategic Plan 2016-19 'Building a Culture of Human Rights' and the objectives set in our Business Plan 2017-18. The areas of work are captured in three broad themes, with actions, outcomes and key activities as follows:

Pillar One: Human Rights and Good Governance

This work stream builds on our previous programmes to embed human rights at the heart of government, and in how the state's policies and strategies are shaped and delivered. We want to develop this work further with stakeholders to ensure human rights are applied to delivery of services to the public. In this work, the Commission is committed to a participatory approach including working with and supporting government and its agencies, and also civil society and the business community.

Actions To advise, support and build the capacity of government and public authorities to apply a human rights based approach to the design and delivery of services to the public, develop a programme to embed a human rights based approach to statutory complaints processes and health and social care trust services and keep under review policy and practice in prison and other places of detention. In addition we will:

Enhance human rights standards in business and procurement through our Business and Human Rights Forum.

Advise government on its responsibilities for human rights in the context of existing and potential future changes to domestic human rights laws and frameworks alongside Belfast (Good Friday) Agreement commitments to a Bill of Rights for Northern Ireland and the possibility of 'A Charter of Rights for the island of Ireland'.

Outcomes The Commission can identify demonstrable improvement in the delivery of services to the public which have arisen from our work.

Key activities

The Commission provides written advice to the United Kingdom Government, NI Executive, Parliament and NI Assembly, which this year included advice to:

- the Department of Health NI, on a draft Adoption and Children (NI) Bill
- the Department of Education NI, on the draft Children and Young People's Strategy 2017-2027
- the Department of Education NI, on changes to Eligibility Criteria for School Meals and Uniform Grants
- the Youth Justice agency on the delivery of education within Woodlands Juvenille Justice Centre
- the Secretary of State for NI, on the House of Common's Defence Committee report on 'Investigations in fatalities in Northern Ireland involving British military personnel'

(Further information on the Commission's work in all of these areas is available at: www.nihrc.org).

The Commission continued in 2017 to challenge the law which criminalises termination of pregnancy in NI in cases of rape, incest and where there is a serious foetal abnormality (including fatal foetal abnormality). A hearing at the Supreme Court took place in October. At the same time, the UN Committee on the Elimination of Discrimination against Women published an Inquiry Report on the subject in February 2018 finding the UK government is responsible for systemic violations of human rights.

The Commission also continued this year to develop the NI Business and Human Rights Forum, hosting a number of meetings to discuss a broad range of subjects, including the future development of a national action plan and modern day slavery. In addition we worked alongside the Department of Finance to further advance the embedding of human rights compliant procurement practices within the NI public sector. We have continued to work with the Centre for Applied Learning to develop its existing training programme for civil servants involved in policy development on ensuring compliance with human rights. We have also worked alongside The Executive Office to update an online accessible guide for civil servants.

Work in partnership with NI Public Services Ombudsman to adopt a human rights-based approach to complaints handling and investigations was sustained throughout 2017 and we look forward to taking this ground breaking project further forward in the coming year. Our project with the Northern Health and Social Care Trust resulted in an innovative participatory method of developing community based care services.

The examination by the UN Committee on the Rights of Persons with Disabilities took place in August 2017, along with the other UK National Human Rights Institutions and the Equality Commission for NI the Commission participated in the state dialogue. The Committee recommended reform of equality law in NI, 'to protect persons with disabilities in Northern Ireland from direct and indirect disability-based discrimination and discrimination through association'.

The UN Human Rights Council, 3rd cycle Universal Periodic Review of the United Kingdom took place in September 2017. The UK Government and NI Executive received a number of recommendations of both specific and general relevance to NI, including relating to dealing with the past, termination of pregnancy and youth justice.

Negotiations on the UK leaving the European Union began in earnest in 2017, when the Prime Minister gave notification under Article 50 of the Treaty of Lisbon. Leaving the European Union will have significant consequences for the protection and promotion of human rights. The Commission has continued working throughout the year on this important constitutional matter in partnership with the other UK National Human Rights Institutions and Irish Human Rights and Equality Commission.

The Joint Committee established under the Agreement to consider human rights issues on the island of Ireland published a policy statement in March 2018 directed to the UK and Irish Governments outlining six requirements for the final withdrawal agreement to meet the obligations of the Belfast (Good Friday) Agreement:

1. Ensure no diminution of rights within the withdrawal agreement.
2. Safeguard the North-South equivalency of rights on an ongoing basis.
3. Guarantee equality of citizenship within Northern Ireland.
4. Protect border communities and migrant workers
5. Ensure evolving justice arrangements do not reduce rights.
6. Ensure continued right to participate in public life for European Union citizens in NI.

Pillar Two: Human Rights and the Conflict

Tolerance recognises the universal human rights and fundamental freedoms of others. A tolerant society based on mutual respect and understanding requires the enforcement by the state of human rights laws and standards, as well as public education and awareness. In building a positive future, the Commission will continue to advise government and its agencies as it deals with Northern Ireland's past, and we will also focus our attention more broadly on those who are marginalised due to intolerance and hate crime.

Actions Develop a programme of work to build the capacity of government and public authorities to respond to all forms of hate crime and promote tolerance and non-discrimination.

Provide advice to Government on implementation of relevant strategies to address the past and take action on rights engaged in relation to conflict related deaths, those who are injured, and legacy inquests.

Outcomes The Commission can demonstrate examples of changes to policy and practice as a result of our work.

Key activities

Throughout 2017-18 the Commission continued to advise on the implementation of the Stormont House Agreement and the mechanisms which aim to address the legacy of the NI conflict. For example, in August 2017 we provided advice to the Northern Ireland Office on the House of Common's Defence Committee report on 'Investigations in fatalities in Northern Ireland involving British military personnel'. In particular, the Commission advised that a statute of limitation restricting the prosecution of state actors for offences related to the conflict would amount to an amnesty. If such an amnesty were to be held to excuse acts constituting gross human rights violations and abuses (including the right to life and the prohibition on torture or other cruel, inhuman or degrading treatment or punishment) this would be incompatible with human rights law.

At the same time, the Commission developed programmes of work aimed at addressing many contemporary issues. These included delivering a roundtable initiative, in partnership with the Equality Commission NI on the subject of tolerance with faith leaders.

One area where the Commission has been successfully building strong partnerships is sport. We have developed a partnership with the NI Commonwealth Games Council in preparation for the Belfast 2021 Commonwealth Youth Games and have started a similar process with the Irish Football Association and a number of other sports bodies.

Pillar three: Protecting Human Rights in a Time of Austerity

This work recognises the importance of social and economic rights and their equivalent status with other rights. Social and economic rights include the right to an adequate standard of living, to housing and protection against destitution. In the current economic environment, this work seeks to ensure individuals social and economic rights are protected and promoted.

Human rights are also embracing issues of tax justice in tackling poverty and addressing social and economic rights issues.

Actions Through a focus on tax and spending decisions taken by government, to build the capacity of government to promote and protect social and economic rights.

Undertake a human rights inquiry to examine the rights of particular groups living in poverty or at risk of destitution incorporating a tax justice dimension.

As part of access to justice, undertake research and then work to implement recommendations on the needs of litigants in person.

Outcomes The Commission can identify demonstrable rights based approaches to tax and spending decisions by government in Northern Ireland arising from our work.

Key activities

During 2017-18 our work has included an ongoing partnership with the Equality Commission NI as the designated Independent Monitoring Mechanism for Northern Ireland (IMNI) of the UN Convention on the Rights of Persons with Disabilities. Following the examination of the UK by the UNCRPD Committee and the publication of the Committee’s recommendations the Commission hosted the Committee’s Vice Chair Coomara Pyaneandee to meet with civil society and government officials regarding implementation. Throughout 2017-18 the Commission engaged with the UK Government in preparation for the universal periodic review of the UK by the UN Human Rights Council. The Commission held a number of engagement events with civil society and live streamed the review at its offices.

Throughout the year the Commission continued its investigation into the provision of Traveller accommodation in NI. The investigation has considered the issue of adequacy, including its cultural appropriateness. A range of public authorities received notification seeking written and oral evidence from the Commission. The final report was published in March 2018. It was the first major report on the subject in NI for almost a decade. The Commission identified 13 systematic concerns and made 45 recommendations. They covered issues include, the inadequacy of the legal framework; racial discrimination; insufficiency of provision of traveller-specific accommodation; lack of resources; absence of accountability; and, lack of participation in decision making. In 2018 the Commission will initiate a full programme of work designed to support the implementation of its recommendations.

The Commission has continued in 2017-18 its joint research study with the Ulster University School of Law into the extent to which people represent themselves in court hearings and how this impacts on access to justice. The research included the trial of a clinic based at the Commission which provided procedural advice to help litigants in person understand and navigate court proceedings. The research compared the experiences of litigants in person who received procedural advice through the clinic with those unrepresented people who do not receive any. It will complete in the autumn of 2018 with the launch of a final report and conference.

Corporate

The Commission continues to promote understanding and awareness of the importance of human rights in Northern Ireland. We strive to engage a wide audience and to enable this we operate a variety of digital platforms including Twitter, Facebook, YouTube, and Instagram.

We held a number of a series of high profile public events throughout the year to generate debate and highlight the work of the organisation. In December 2017 we hosted the Rt Hon Harriet Harman QC, who delivered a keynote speech on gender equality at our Annual Statement on Human Rights Day. We launched the findings of our Traveller Investigation report at separate events in Belfast and Derry/Londonderry in March 2018. We partnered with the Northern Ireland Community of Refugees and Asylum Seekers for World Refugee Day in June 2017. Alongside NICRAS, we facilitated a Small Worlds workshop for statutory bodies and civil society to engage with refugees and asylum seekers living in Northern Ireland. We also participated in events to highlight Homelessness awareness week.

In partnership with the Bar of Northern Ireland we have secured Joshua Rozenberg QC (hon), renowned legal commentator and journalist to deliver the key note speech at the Commission's Annual Lecture in May 2018.

The Commission continues to develop new partnerships with organisations in order to promote and raise awareness of human rights through film and animation. In September 2017, we launched a video with the Princes Trust examining young people's experiences of mental health. This video has been utilised by the Royal Mail who have incorporated the video into staff training across the UK.

We ran an Outdoor Mini Human Rights Film Festival in Writer's Square as part of the annual Belfast Culture Night event. The Film Festival showcased the Princes Trust video alongside existing short educational films made in with local organisations including those with Women's Aid, Barnardos, the Simon Community and Carers NI.

The Commission worked with The Rainbow Project to create an animation on the rights issues affecting the LGBTI community in Northern Ireland. We also worked with Evangelical Alliance on an animation focused on the right to Freedom of Expression, Conscience and Religion. This work will be promoted throughout 2018.

We are currently rolling out a pilot project of engagement with post-primary schools. In-year the Commission worked on the design of a promotional App which will be launched in April 2018 as part of our school engagement.

Key risks facing the Northern Ireland Human Rights Commission

The Commission maintains an internal risk register which is reviewed by our audit and risk committee at its quarterly meetings. We have effectively managed and significantly mitigated the following strategic risks:

Political process – a key risk for the Commission is a failure to engage effectively in the political process. During the business year the NI Assembly was suspended. In this context we sought to maintain links with elected representatives in meetings and continued to advise Parliament on human rights matters.

Stakeholder engagement - another key risk involves engagement with stakeholders. With such a wide stakeholder base engagement has always been a key institutional challenge for the Commission. We regularly speak at conferences, seminars and other events held by civic society organisations. Proactive work though our community engagements is also important. We also hold engagement events during UN Treaty examinations and help develop the capacity of civil society in NI through our training programmes, investigations and social media profile.

Legal costs – in this financial year the Commission contested a case at the Supreme Court. In engaging in this litigation the Commission has given particular attention to the management of its legal costs both its own and the risk of costs being awarded against the Commission. This risk was managed successfully.

Legal powers – since the amendment of the Commission's powers by the Justice and Security Act 2007 the Commission has had the clear understanding that it could initiate own motion litigation, i.e. to take human rights proceedings in its own name where there is or would be one or more victims. The Commission has reported each year to Parliament through its annual report and accounts on the basis that it has these powers. In the current case challenging termination of pregnancy laws in Northern Ireland the Attorney General and Department of Justice have challenged the Commission's powers to initiate own motion litigation. Any change in circumstances which may impact on the Commission's compliance with the United Nations General Assembly Resolution 48/134 (the Paris Principles) must be brought to the attention of the Chairperson of the Global Alliance of National Human Rights Institutions who will initiate a special review by the sub-committee on accreditation. The Commission currently is accredited with ‘A’ status by the sub-committee. This enables the Commission to engage with the UN Treaty Body system and exercise speaking rights before the UN Human Rights Council. Any change in the Commission’s powers carries the consequential risk of the institution being downgraded in its accreditation.

Performance Analysis

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

It has continued to adopt a robust performance management system to ensure regularity, propriety and value for money. We operated with seven part time Commissioners and one Chief Commissioner, until August 2017. Our part time Commissioners reduced to six in September 2017. Newly appointed commissioners were contracted for three days per month, one day less than their predecessors. The Commission had ten permanent staff and three temporary staff.

The Commission has faced year on year reductions in its budget since 2011/12 and this is projected to continue until 2019/20. We were functioning this year with less core budget and staff than sixteen years previous (when inflation is taken into account). During those years, as our expertise has grown we have found new, more effective and efficient ways of working. Inevitably, however, budget reductions and fewer staff means a change in service. For 2017-18 the Commission had a core budget of £1,124,000. This is funded by grant-in-aid from Parliament through our sponsor branch, the Northern Ireland Office.

In recent years the Commission has developed programmes to increase the capacity of public authorities to protect and promote the human rights of their service users through changes in law, policy and practice. Building strong partnerships is key to the Commission using its available resources to maximum effect. In 2017-18 we continued to build partnerships through our work on litigants in person with Ulster University, the provision of secretarial support for the Northern Ireland Business and Human Rights Forum and assistance given to the Department of Finance on public procurement. We also continued as Chair of the Commonwealth Forum of National Human Rights Institutions supported by the United Kingdom Foreign and Commonwealth Office.

The wider environment in which the Commission operated was one of continuing political uncertainties. The NI Assembly was suspended throughout 2017-18. In December 2017 we published our Annual Statement. The Chief Commissioner noted that it was difficult to write in a positive vein on developments, since there was not a single green light in the report denoting an effective response to addressing specifically identified human rights issues in NI. The lack of progress reflects the absence of a working legislative Assembly and serves to illustrate why an effective devolved administration is so important. In this context of political instability, litigating and seeking a remedy through the courts becomes an option that the Commission has to increasingly consider. But this approach is also limited by our diminished budget.

As devolution stalled, with little indication of a resolution in the short term, negotiations on the UK decision to leave the European Union have thrown the Belfast (Good Friday) Agreement aim of ensuring an equivalency of human rights protections across the island of Ireland into sharp relief. The potential loss of the Charter of Fundamental Rights of the European Union and proposed withdrawal from the jurisdiction of Court of Justice will amount to a regression of human rights in practice.

Twenty years since the Belfast (Good Friday) Agreement human rights remain a vital underpinning of a new Northern Ireland. It has been one of our priority objectives to work alongside the other human rights and equality commissions of the United Kingdom and Ireland to ensure that those responsible for negotiating the terms of the United Kingdom's withdrawal from the European Union guarantee 'no diminution' of human rights and equality and a commitment to an 'equivalency' of protections on the island of Ireland.

Only one business objective was not met in 2017-18. The Commission has committed to engage in a knowledge exchange with the Research and Information Service in the NI Assembly, to scope potential areas for further engagement addressing human rights and departmental public expenditure decision-making. Unfortunately the project was affected by the suspension of devolution.

Overall, the Commission continues to enhance its performance through programmes of work focused on securing the meaningful application of human rights in NI.

Dr David Russell
Accounting Officer

Date: 4 July 2018

Accountability Report

Corporate Governance Report

Director's Report

Entity

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

The Commission's powers and duties are derived from sections 69 and 70 of the Northern Ireland Act 1998 and sections 14 to 16 of the Justice and Security (Northern Ireland) Act 2007.

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

Commissioners and Management Team

The Commission is governed by its Commissioners. The following served as Commissioners during 2017-18:

- Les Allamby
- Christine Collins *(until 31 August 2017)*
- John Corey *(until 31 August 2017)*
- Grainia Long *(until 31 August 2017)*
- Alan McBride *(until 31 August 2017)*
- Marion Reynolds MBE *(until 31 August 2017)*
- Milton Kerr QPM *(until 31 August 2017)*
- Paul Yam MBE *(until 31 August 2017)*
- Helen Ferguson *(from 1 September 2017)*
- Helena Macormac *(from 1 September 2017)*
- Paul Mageean *(from 1 September 2017)*
- John McCallister *(from 1 September 2017)*
- Eddie Rooney *(from 1 September 2017)*
- Graham Shields OBE *(from 1 September 2017)*

The Commission's Director is its Chief Executive, Dr David Russell who was appointed on 3 April 2017. As Accounting Officer, the Chief Executive is responsible for maintaining a sound system of internal control. The Governance Statement sets out how this responsibility has been discharged in 2017-18.

Details of remuneration can be found in the Remuneration Report.

A register of interests of the Commissioners and the Management Team can be found on our website: *www.nihrc.org*

Audit and Risk Management Committee

The Commission's Audit and Risk Management Committee met three times during the year. A new process of engagement between the Committee and staff was put into operation.

The Audit and Risk Management Committee 2017-18 comprised of:

- Neil Bodger, Independent Chairperson *(until 31 July 2017)*
- Christine Collins *(until 31 August 2017)*
- John Corey *(until 31 August 2017)*
- Alan McBride *(until 31 August 2017)*
- Joe McKnight, Independent Chairperson *(from 1 August 2017)*
- Helen Ferguson *(from 1 September 2017)*
- Eddie Rooney *(from 1 September 2017)*
- Graham Shields, OBE *(from 1 September 2017)*

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

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

Risk management

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

All Commissioners have received training in the role and responsibilities of National Human Rights Institution Commissioners and as board members of non-Departmental public bodies as well as induction and refresher training in the work of the Commission. The Audit and Risk Management Committee reviews its effectiveness by assessing its operation and constitution against good practice guidelines issued by the National Audit Office. It also benchmarks itself against practice in sister organisations, through discussion between the Chair of the Audit and Risk Management Committee and his counterparts. The Audit and Risk Management committee reports at least annually to the full commission board and their papers are available to all Commissioners.

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

There were no complaints to the Parliamentary Ombudsman in 2017-18 (2016-17: None).

There were no breaches of information security in 2017-18 (2016-17: None).

Personal data

We are committed to safeguarding all retained personal data. Risks in this area are recorded in the Commission's risk register and the Audit and Risk Management Committee receives regular reports on activities to minimise the likelihood of the occurrence of these and other risks. There were no personal data-related incidents during 2017-18 (2016-17: Two).

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

Register of Interests

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

Auditors

The financial statements are audited by the Comptroller and Auditor General. The audit fee for this year is £15,000 (2016-17: £15,000).

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

Creditor payment, policy and performance

Monthly statistics submitted to the Northern Ireland Office highlight that the Commission has paid 95.8 per cent of all undisputed invoices within five working days against the Government target of paying 80 per cent of such invoices within this time period (2016-17: 93 per cent).

Days lost due to absence

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

The Commission has noted that the number of days lost due to absence in this business year has decreased and was as a result of fewer long-term sick absence during 2017-18.

The percentage of working days lost in 2017-18 was 2.2 per cent or an average of 5.1 days a year per employee (2016-17: 4.3 per cent and 11.8 days respectively).

Disclosure of audit information

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

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

Dr David Russell
Accounting Officer

Date: 4 July 2018

Statement of Accounting Officer's Responsibilities

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

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

- confirm that the annual report and accounts as a whole are fair, balanced and understandable and that he takes personal responsibility for the annual report and accounts and the judgements required for determining that they are fair, balanced and understandable;

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

- make judgements and estimates on a reasonable basis;

- state whether applicable accounting standards as set out in the HM Treasury's Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements, and;

- prepare the financial statements on a going concern basis.

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

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

Governance Statement

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

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

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

Commissioners’ Meetings

The Commission met 10 times during the reporting period.

The following served as Commissioners from 1 April 2017 - 31 March 2018

	Meetings attended
Les Allamby	10
Christine Collins *(until 31 August 2017)*	4 out of 4
John Corey *(until 31 August 2017)*	4 out of 4
Milton Kerr QPM *(until 31 August 2017)*	4 out of 4
Grainia Long *(until 31 August 2017)*	2 out of 4

Alan McBride *(until 31 August 2017)*	3 out of 4
Marion Reynolds MBE *(until 31 August 2017)*	3 out of 4
Paul Yam MBE *(until 31 August 2017)*	3 out of 4
Helen Ferguson *(from 1 September 2017)*	6 out of 6
Helena Macormac *(from 1 September 2017)*	6 out of 6
Paul Mageean *(from 1 September 2017)*	6 out of 6
John McCallister *(from 1 September 2017)*	6 out of 6
Eddie Rooney *(from 1 September 2017)*	6 out of 6
Graham Shields OBE *(from 1 September 2017)*	6 out of 6

Audit and Risk Management Committee Meetings

The Audit and Risk Management Committee met 6 times during the reporting period.

	Meetings attended
Neil Bodger *(until 31 July 2017)*	3 out of 3
Joe McKnight *(from 1 August 2017)*	3 out of 3
Christine Collins *(until 31 August 2017)*	2 out of 3
John Corey *(until 31 August 2017)*	3 out of 3
Alan McBride *(until 31 August 2017)*	2 out of 3
Helen Ferguson *(from 1 September 2017)*	2 out of 3
Eddie Rooney *(from 1 September 2017)*	3 out of 3
Graham Shields OBE *(from 1 September 2017)*	3 out of 3

The Audit and Risk Management Committee comprises an independent Chairperson, who has extensive financial management experience at a senior level in the public sector, who was appointed following an open recruitment competition, and up to four Commissioners with a range of experience in corporate governance. Both the Commission's internal and external auditors also attend Audit and Risk Management Committee meetings, as well as a representative of the Northern Ireland Office.

As outlined, Audit and Risk Management Committee minutes are tabled at Commission meetings and the Committee reports annually to the Commission. Furthermore, the Chairperson has direct access to the Chief Executive and Chief Commissioner as appropriate.

The Audit and Risk Management Committee reviews its effectiveness by assessing its operation and constitution against good practice guidelines issued by HM Treasury. It also benchmarks itself against practice elsewhere, through discussions between the Chair of the Audit and Risk Management Committee and his counterparts in sister organisations.

The Audit and Risk Management Committee report as required and at least annually to the full Commission board through the Independent Chair of the Committee. Audit and Risk Management Committee papers are available to all Commissioners. The Commission works through a monthly Commission meeting, though there is provision for additional meetings if required. It has no separate standing Committees other than that of Audit and Risk Management. The Commission is also represented by Commissioners and staff on the joint Independent Monitoring Committee for the UN Convention on the Rights of People with Disabilities in Northern Ireland with the Equality Commission.

During this year the Commission has met ten times. Commission minutes have been made available and the Chair of the Audit and Risk Management Committee reported to the Commission meeting in June 2017.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

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

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

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

- overall responsibility for ensuring that risks are identified and an appropriate framework is in place to manage those risks down to an acceptable level rests with the Commission's Accounting Officer

- individual members of staff can be nominated as 'risk owners' delegated with responsibility from the Chief Executive for monitoring and reporting on specific risks within their area of work

- the risk register, and the effectiveness of activities to manage identified risks, is reviewed monthly by the Management Team

- the Audit and Risk Management Committee, which ordinarily meets quarterly, reviews the entire risk register and reports to the Commission, through the Chief Executive, on the effectiveness of activities to manage identified risks following each meeting

- the Commission reviews the risk register and the effectiveness of the risk management framework

- the external environment is assessed for any opportunistic new risks as part of the annual business planning process and in addition for the new strategic plan

- information risk is managed by the Commission within the context of the risk management framework. The Commission seeks to manage down the likelihood of the risk materialising through an Information Assurance Policy and Information and Communications Technology (ICT) policies and procedures, supported by training for staff on these. The Commission has liaised closely with the NIO network to ensure compliance.

In addition to the mechanisms outlined above, as Accounting Officer, I have responsibility for ensuring the effectiveness of the system of internal control. Reviewing the effectiveness of the system of internal control is informed by the work of the internal auditors and comments made by the external auditors in their management letter and other reports. I have been advised on the effectiveness of the system of internal control by the Commission (the Board), the Audit and Risk Management Committee and a plan to address identified further weaknesses and ensure continuous improvement of the system is in place.

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

The Committee contributed an audit, risk management and value perspective to the development of the Commission's strategic and business plans, and of its policies across a range of issues including sickness, complaints and performance appraisal.

In September 2017 the Commission received notification from Capita, the Commission's Internal Auditors at the time, of its decision to exit the provision of internal audit services to organisations across the island of Ireland. After negotiation, a Novation Deed was agreed and the contract for the provision of internal audit services was transferred to Grant Thornton on 27 October 2017.

A two-year Internal Audit Strategy for 2017-18 and 2018-19 and an Audit Plan for 2017-18 was drafted and presented to the Audit and Risk Management Committee meeting in December 2017 for approval. The internal audits for 2017-18 focused on the following areas:

- Financial and Human Resource Systems (including Financial Policies and Procedures) – (Advisory review)
- Overview of Statutory Remit/Operations (under the NI Act)

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

There are no significant internal control issues within the Commission.

Dr David Russell
Accounting Officer

Date: 4 July 2018

Remuneration and Staff Report

Remuneration policy

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

The Chief Commissioner and Chief Executive’s posts are graded within the Senior Civil Service (SCS). Pay and performance management arrangements for this post are in line with guidance issued by the Cabinet Office*: Guidance for Approval of Senior Pay* (applicable from April 2013)*.* Increases in the Chief Commissioner and Chief Executive’s pay are in line with the parameters of the Senior Salaries Review Board.

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

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

The other members of the Audit and Risk Management Committee are Commissioners Helen Ferguson, Eddie Rooney and Graham Shields. They do not receive any additional remuneration for attendance at Committee meetings.

The previous members of the Audit and Risk Management Committee were Commissioners Christine Collins, John Corey and Alan McBride, who finished their terms of office on 31 August 2017.

Contracts of employment

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

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

Staff appointments are made in accordance with the Commission's recruitment and selection policy, which requires appointments to be made strictly on merit and through fair and open competition. Early termination, other than for misconduct, would normally result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

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

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

Single total figure of remuneration (subject to audit)								
	Salary (£'000)		Benefits in kind (to nearest £100)		Pension benefits (£'000)		Total (£'000)	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Mr Les Allamby Chief Commissioner	65-70	65-70	0	0	27	27	95-100	95-100
Ms Helen Ferguson Commissioner *(from 1 September 2017)*	0-5[1]	0	0	0	0	0	0-5	0
Ms Helena Macormac Commissioner *(from 1 September 2017)*	0-5[1]	0	100	0	0	0	0-5	0
Mr Paul Mageean Commissioner *(from 1 September 2017)*	0-5[1]	0	0	0	0	0	0-5	0
Mr John McCallister Commissioner *(from 1 September 2017)*	0-5[1]	0	300	0	0	0	0-5	0
Mr Eddie Rooney Commissioner *(from 1 September 2017)*	0-5[1]	0	0	0	0	0	0-5	0
Mr Graham Shields OBE Commissioner *(from 1 September 2017)*	0-5[1]	0	200	0	0	0	0-5	0
Ms Christine Collins Commissioner *(until 31 August 2017)*	0-5[2]	5-10	200	600	0	0	0-5	10-15

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

Mr John Corey Commissioner *(until 31 August 2017)*	0-5[2]	5-10	0	0	0	0	0-5	5-10
Mr Milton Kerr QPM Commissioner *(until 31 August 2017)*	0-5[2]	5-10	100	100	0	0	0-5	10-15
Ms Grainia Long Commissioner *(until 31 August 2017)*	0-5[2]	5-10	0	0	0	0	0-5	5-10
Mr Alan McBride Commissioner *(until 31 August 2017)*	0-5[2]	5-10	0	0	0	0	0-5	5-10
Ms Marion Reynolds MBE Commissioner *(until 31 August 2017)*	0-5[2]	5-10	0	100	0	0	0-5	10-15
Mr Paul Yam MBE Commissioner *(until 31 August 2017)*	0-5[2]	5-10	300	300	0	0	0-5	10-15
Mr Neil Bodger Chair of the Audit and Risk Management Committee *(until 31 July 2017)*	0-5[3]	0-5	0	0	0	0	0-5	0-5
Mr Joseph McKnight Chair of the Audit and Risk Management Committee *(from 1 August 2017)*	0-5[4]	0	0	0	0	0	0-5	0
Dr David Russell Chief Executive *(from 3 April 2017)* Deputy Director *(until 31 January 2017)* Acting Director *(until 2 April 2017)*	65-70	65-70	0	0	48	26	115-120	95-100
Mr Colin Caughey Director *(from 1 August 2017)* Acting Grade 7 *(from 1 February 2017)*	45-50	45-50	0	0	20	3	65-70	50-55
Mrs Lorraine Hamill Director *(from 1 August 2017)* Acting Grade 7 *(from 1 February 2017)*	45-50	45-50	0	0	35	7	80-85	55-60
Ms Claire Martin Director *(from 1 August 2017)* Acting Grade 7 *(from 1 February 2017)*	45-50	45-50	0	0	36	7	85-90	55-60

No performance related pay or bonus payments have been made in 2017-18 (2016-17: £nil).

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[3] Figure quoted is for the period 1 April 2017 to 31 July 2017. The full year equivalent is £0-5k. Charges a fee which is processed through the Commission's Payroll.

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

Pay Multiples

	2017-18	2016-17
	£'000	£'000
Band of highest paid employee's total remuneration	65-70	65-70
Median Total Remuneration	24	25
Median Ratio	2.82	2.74

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2017-18 was £65,000-£70,000 (2016-17: £65,000-£70,000). This was 2.82 times (2016-17: 2.74) the median remuneration of the workforce, which was £23,925 (2016-17: £25,161)

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

There was no severance pay in 2017-18 (2016-17: £nil)

Salary

'Salary' includes gross salary, overtime; and any other allowance subject to UK taxation. No performance related pay or bonus payments were made in year (2016-17: £nil). This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Benefits in kind

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

Benefits in kind paid during the 2017-18 financial year were £1,342 (2016-17: £1,133).

There were no non-cash benefits made during the 2017-18 financial year (2016-17: None)

Pension benefits (audited information)

Commissioners

The Chief Commissioner is eligible to join the Principal Civil Service Pension Scheme and the Commission paid employer pension contributions of £15,240 (2016-17: £15,085). An accrual of £317 is due as a result of a back dated pay award.

No further pension contributions were made for Commissioners in the year ended 31 March 2018 (2016-17: £nil).

Chairperson of the Audit and Risk Management Committee

No pension contributions were made for the Chairperson of the Audit and Risk Management Committee in the year ended 31 March 2018 (2016-17: £nil).

Management Team

	Accrued pension at pension age as at 31/3/18	Real increase in pension and related lump sum at pension age	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Les Allamby Chief Commissioner	5-10	0-2.5	84	58	19	0
David Russell Chief Executive *(from 3 April 2017)* Deputy Director *(until 31 January 2017)* Acting Director *(until 2 April 2017)*	15-20	2.5-5	170	140	19	0
Colin Caughey Director *(from 1 August 2017)* Acting Grade 7 *(from 1 February 2017)*	5-10	0-2.5	38	30	5	0
Lorraine Hamill Director *(from 1 August 2017)*	5-10	0-2.5	128	97	23	0

Acting Grade 7 *(from 1 February 2017)*						
Claire Martin Director *(from 1 August 2017)* Acting Grade 7 *(from 1 February 2017)*	5-10	0-2.5	92	70	15	0

The pension information for the senior management team follows guidance in the Employer Pension Notice EPN452 issued by the Civil Service Pensions.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed employees and those already in service joined alpha. Prior to that date, employees participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 moved to alpha from 1 April 2015. All members who moved to alpha had the PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. The pension figures quoted show pension earned in PCSPS or alpha as appropriate. Where the employee has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3 per cent and 8.05 per cent of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6 per cent and 8.05 per cent for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32 per cent. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8 per cent and 14.75 per cent from 1 October 2015 (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 per cent of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted show pension earned in PCSPS or alpha, as appropriate. Where there are benefits in both the PCSPS and alpha the figure quoted is the combined value of the benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website: *http://www.civilservicepensionscheme.org.uk/.*

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Staff Report

Staff numbers and related costs (audited information)

	2017-18 total	Commissioners	Permanently Employed and inward seconded staff	Others	2016-17 total
	£	£	£	£	£
Wages and salaries	578,205	125,808	387,947	64,450	636,229
Social security costs	55,511	9,372	41,757	4,382	58,315
Other pension costs	109,022	15,557	83,426	10,039	106,868
Total Staff Costs	**742,738**	**150,737**	**513,130**	**78,871**	**801,412**

There were no inward seconded staff during 2017-18 (2016-17: None).

Details of the pension contributions of £15,557 payable in respect of Commissioners (2016-17: £15,085) are described in the Remuneration Report.

The Commission’s staff are covered by the Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as ‘alpha’. PCSPS and CSOPS are unfunded multi–employer defined benefit schemes but the Commission is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2017-18, employers' contributions of £109,022 (£107,538 and an accrual of £1,484 as a result of a back dated pay award) were payable to PCSPS (2016-17: £106,868) at one of four rates in the range 20 per cent to 24.5 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2017-18 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There were no employers' contributions made to one or more of the panel of three appointed stakeholder pension providers (2016-17: £Nil). Employer contributions are age–related and ranged from 8 per cent to 14.75 per cent (depending on the age of the member). Employers also match employee contributions up to 3 per cent of pensionable pay. There were no additional employer contributions at 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement) (2016-17: £Nil).

The expected employer pension contributions to the Principal Civil Service Pension Scheme for 2018-19 is £124,210.

As the Commission only has 13 members of staff and the pension scheme is a civil service-wide scheme, the level of contribution is minimal.

There was no staff who retired early on ill-health grounds during 2017-18.

Number of Senior Civil Service Staff

Grade of Senior Civil Servant	2017-18 Number of Staff	2016-17 Number of Staff
5	2	2

Average number of persons employed (audited information)

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

	2017-18 total	Commissioners	Permanently Employed and inward seconded staff	Others	2016-17 Total
Directly employed	20	7	10	3[5]	24.0
Other	1	0	0	1[6]	3.0
Total	**21**	**7**	**10**	**4**	**27.0**

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

Managing Attendance

Staff absence arising as a result of illness, including injuries, disability or other health problems, was approximately 5.1 days per employee in 2017-18 (2016-17: 11.8 days). The marked decrease in sickness absence is due to there being fewer long-term sick absences in 2017-18.

Expenditure on Consultancy

There was no expenditure on consultancy in 2017-18 (2016-17: £nil)

Off-payroll engagements

There were no off-payroll engagements in 2017-18 (2016-17: £nil)

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

There were no exit packages in 2017-18 (2016-17: Nil).

Dr David Russell
Accounting Officer

Date: 4 July 2018

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

Parliamentary Accountability and Audit Report

1.1 The accounts of the Northern Ireland Human Rights Commission are audited by the Comptroller and Auditor General under the Northern Ireland Act 1998. The audit fee charged was £15,000 (£15,000 in 2016-17). The auditors received no fees for non-audit services. The auditors have been provided with all relevant audit information necessary to complete their audit and the Accounting Officer has taken all the necessary steps to ensure that the auditors are aware of any relevant information.

1.2 All expenditure was applied to the purpose intended by Parliament (audited).

1.3 No fees or charges were paid by the Northern Ireland Human Rights Commission (audited).

1.4 The Northern Ireland Human Rights Commission has no remote contingent liabilities (audited).

1.5 The Northern Ireland Human Rights Commission's total expenditure in 2017-18 was £1,210,406. The net expenditure for prior years was as follows:

Expenditure and income

	2017-18 £000	**2016-17 £000**	**2015-16 £000**	**2014-15 £000**
Expenditure	1,210	1,220	1,190	1,477
Income	-33	-113	-94	-220
Net Expenditure	1,177	1,107	1,096	1,257

D Russell

Dr David Russell
Accounting Officer

Date: 4 July 2018

The Certificate of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of Norther Ireland Human Rights Commission for the year ended 31 March 2018 under the Northern Ireland Act 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Human Rights Commission's affairs as at 31 March 2018 and of comprehensive net expenditure for the year then ended; and

- the financial statements have been properly prepared in accordance with the with the Northern Ireland Act 1998 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Northern Ireland Human Rights Commission in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Commission and Accounting Officer for the financial statements

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

Auditor's responsibilities for the audit of the financial statements

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northern Ireland Human Rights Commission's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Northern Ireland Human Rights Commission’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Information

The Commission and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Northern Ireland Act 1998;

- in the light of the knowledge and understanding of the Northern Ireland Human Rights Commission and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and

- the information given in Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or

- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or

- I have not received all of the information and explanations I require for my audit; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse **Date 9 July 2018**
Comptroller and Auditor General

Financial Statements for the Year Ended 31 March 2018

Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2018

	Notes	2017-18 £	2016-17 £
Expenditure			
Staff costs	**3**	742,738	801,412
Other Operating costs	**4**	446,558	398,713
Depreciation, Amortisation and Impairment	**4**	21,110	19,891
Total expenditure		**1,210,406**	**1,220,016**
Income			
Other income	**5**	(33,236)	(113,114)
Total income		**(33,236)**	**(113,114)**
Net Expenditure for the year ended 31 March		**1,177,170**	**1,106,902**
Other comprehensive net expenditure			
Net loss on revaluation of property, plant and Equipment	**4**	2,527	0
Comprehensive net expenditure for the year		**1,179,697**	**1,106,902**

All amounts above relate to continuing activities.

The notes on pages 50 to 62 form part of the financial statements.

Statement of Financial Position as at 31 March 2018

	Notes	31 March 2018		31 March 2017	
		£	£	£	£
Non-current assets:					
Property, plant and equipment	**6**		25,285		39,980
Intangible	**7**		31,842		26,042
Total non-current assets			57,127		66,022
Current assets:					
Trade and other receivables	**9**	37,575		175,510	
Cash and cash equivalents	**10**	287,647		249,278	
Total current assets			325,222		424,788
Total assets			382,349		490,810
Current liabilities:					
Trade and other payables	**11**		134,924		185,288
Provisions - legal	**12**		60,000		62,400
Total current liabilities			194,924		247,688
Total assets less current liabilities			187,425		243,122
Assets less liabilities			**187,425**		**243,122**
Taxpayers Equity					
General reserve			187,425		243,122
			187,425		**243,122**

The notes on pages 50 to 62 form part of the financial statements.

The financial statements on pages 46 to 62 were approved by the Commission on 25 June 2018:

Dr David Russell
Accounting Officer

Date: 4 July 2018

Statement of Cash Flows for the Year Ended 31 March 2018

	Notes	2017-18 £	2016-17 £
Cash flows from operating activities			
Net Expenditure after interest		(1,177,170)	(1,106,902)
Decrease/(increase) in trade and other receivables	**9**	137,935	(43,483)
Increase/(decrease) in trade payables	**11**	(50,364)	1,393
Depreciation, Amortisation and Impairment	**4**	21,110	19,892
Use of provisions	**12**	(62,400)	0
Provision provided for in-year	**12**	60,000	62,400
Net cash outflow from operating activities		**(1,070,889)**	**(1,066,700)**
Cash flows from investment activities			
Purchase of property, plant and equipment	**6**	(1,424)	(18,544)
Purchase of intangible assets	**7**	(13,318)	(10,526)
Net cash outflow from investing activities		**(14,742)**	**(29,070)**
Cash inflow from financing activities		1,124,000	1,149,000
Net cash inflow from financing activities		**1,124,000**	**1,149,000**
Net increase/(decrease) in cash and cash equivalents in the period	**10**	**38,369**	**53,230**
Cash and cash equivalents at the beginning of the period	**10**	**249,278**	**196,048**
Cash and cash equivalents at the end of the period	**10**	**287,647**	**249,278**

The notes on pages 50 to 62 form part of the financial statements.

Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2018

	General and Revaluation Reserves £	Total Reserves £
Balance at 31 March 2016	**201,024**	**201,024**
Comprehensive Expenditure for the year	(1,106,902)	(1,106,902)
Grant-in-aid from NIO	1,149,000	1,149,000
Balance at 31 March 2017	**243,122**	**243,122**
Changes in taxpayers' equity for 2017-18		
Comprehensive Expenditure for the year	(1,179,697)	(1,179,697)
Grant-in-aid from NIO	1,124,000	1,124,000
Balance at 31 March 2018	**187,425**	**187,425**

The notes on pages 50 to 62 form part of the financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2018

1. Statement of accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) for 2017-18, issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS), as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Northern Ireland Human Rights Commission for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Northern Ireland Human Rights Commission for the year ending 31 March 2018 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

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

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

1.2 Critical accounting estimates and key judgements

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

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

Depreciation is provided in the accounts so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown in Note 1.7 and Note 1.8.

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

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

1.3 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2018

The Commission has reviewed the standards, interpretations and amendments to the International Financial Reporting Standards (IFRS) included in the 2017-18 Government Financial Reporting Manual (FReM) and which are relevant to its operations. The Commission considers that the adoption of these standards has not had a significant impact on its results or financial position.

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

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

IFRS 9 – Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard was adopted from 1 January 2018 and will be applied from 1 April 2018. IFRS 9 provides a more principles based approach, including the classification and measurement of financial assets and liabilities.

The Commission does not expect this standard to have a significant impact on future accounts.

IFRS 15 – Revenue from Contracts with Customers replaces IAS 18 Revenue. The standard was adopted from 1 January 2018 and will be applied from 1 April 2018. The core principle of this standard is that an entity recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The Commission does not consider that the recognition requirements of IFRS 15 will significantly impact on revenue recognition in future financial statements.

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

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

1.5 Income

Income from the Foreign and Commonwealth Office is for a funded project for the Commonwealth Forum of National Human Rights Institutions for a period of 2 years from November 2015 to November 2017, and then extended for a further 4 months until 31 March 2018.

1.6 Grant-in-aid

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

1.7 Property, plant and equipment and depreciation

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

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

Leasehold improvement expenditure has been capitalised and is restated at current cost using professional valuations. Valuations are carried out annually using indices compiled by the Office for National Statistics, and normally every third year by professional external valuers employed by the Land and Property Services (Valuations) in accordance with the Appraisal and Valuation Manual prepared and published by the Royal Institution of Chartered Surveyors, as at 31 March. The current lease was negotiated in July 2015 and will be for a period of five years with a break clause after three years.

Any surplus/loss on revaluation is treated as follows:

- Unrealised surplus arising from revaluation of property, plant and equipment is credited to the Revaluation Reserve unless it reverses a revaluation decrease of the same asset previously charged to the Statement of Comprehensive Net Expenditure;

- Losses arising from the revaluation of property, plant and equipment are debited to the Revaluation Reserve to the extent that gains were recorded previously, and otherwise to the Statement of Comprehensive Net Expenditure.

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

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

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

Leasehold improvements:	10 years (or the life of the lease, whichever is least)
Computer equipment:	3 years
Fixtures, fittings and equipment:	5 years
Intangible Assets	2-5 years

1.8 Intangible Assets

Purchased computer software licences and website development are capitalised as intangible assets where expenditure of £1,000 or more is incurred and are depreciated on a straight line basis over two to five years (whichever is applicable).

1.9 Operating leases

Rentals payable under operating leases are charged against the Statement of Comprehensive Net Expenditure on a straight line basis over the lease term. The current lease was renewed on 1 July 2015.

1.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in the Remuneration and Staff Report. The defined benefit schemes are unfunded. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees’ services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Commission recognises the contributions payable for the year.

1.11 Value Added Tax

The Commission is ineligible to reclaim input VAT on expenditure. Therefore, all expenditure is inclusive of VAT.

1.12 Legal casework expenditure

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

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

The current strategic litigation case is operating on the basis that each party will bear their own costs.

1.13 Staff costs

Under IAS19 Employee Benefits legislation, all staff costs must be recorded as an expense as soon as the Commission is obligated to pay them. This includes the cost of any untaken leave as at the year–end which is estimated at £11,443 (2016-17: £9,089).

2. Analysis of net expenditure by segment

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

3. Staff costs[7]

	2017-18 total	**Commissioners**	**Permanently Employed and inward seconded staff**	**Others**	**2016-17 total**
	£	**£**	**£**	**£**	**£**
Wages and salaries	578,205	125,808	387,947	64,450	636,229
Social security costs	55,511	9,372	41,757	4,382	58,315
Other pension costs	109,022	15,557	83,426	10,039	106,868
Total Staff Costs	**742,738**	**150,737**	**513,130**	**78,871**	**801,412**

[7] Average number of persons employed can be found in the staff report on page 39

4. Other expenditure

	2017-18	2016-17
	£	£
Advertising, publicity and publications	45,810	19,130
Auditor’s (NAO) remuneration	15,000	15,000
Building maintenance and expenses	23,168	29,969
Commonwealth Forum	17,699	17,560
Conferences and seminars	7,425	231
Insurance	5,764	6,958
Internal audit	15,126	1,296
Investigations	8,320	35,156
IT	28,204	27,738
Joint Committee	81	0
Legal casework (non–recoverable)	119,625	66,652
Light and heat	9,862	14,146
Other expenses	1,336	1,032
Printing, postage and stationery	12,953	20,182
Professional fees	20,437	23,485
Rates	17,756	17,293
Rentals under operating leases	38,400	38,400
Rental for car park	1,176	1,375
Staff training and recruitment	15,194	7,415
Telephone	16,617	13,047
Travel, subsistence and hospitality	26,605	42,648
	446,558	398,713
Non–Cash Items:		
Depreciation, Amortisation and Impairment	21,110	19,891
Net downward (upward) revaluation on property	2,527	0
	470,195	418,604

5. Income

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

	2017-18 **£**	**2016-17** **£**
Foreign Commonwealth Office Funded Project for Commonwealth Forum of National Human Rights Institutions (CFNHRI)	52,072	76,811
Contribution from NICO for training provision	0	2,248
Contribution from The Executive Office for Northern Ireland Civil Service Website	0	4,426
Joint funding with the Ulster University for Litigants in Person Project	4,281	29,629
Contribution from Department of Finance re NICS Website Support	918	0
Removal of accrued income received re legal case	(24,035)	0
Total	**33,236**	**113,114**

6. Property, plant and equipment

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

2016-17	Leasehold Improvements	Information technology	Furniture & fittings	Education Project IT	Total
Cost or valuation	**£**	**£**	**£**	**£**	**£**
At 1 April 2016	194,742	67,137	168,084	1,874	431,837
Additions	0	11,237	7,307	0	18,544
Disposals	0	(14,817)	(10,669)	0	(25,486)
Impairment	0	0	0	0	0
At 31 March 2017	194,742	63,557	164,722	1,874	424,895
Depreciation					
At 1 April 2016	178,511	57,091	159,976	1,874	397,452
Charged in year	3,412	7,210	2,327	0	12,949
Disposals	0	(14,817)	(10,669)	0	(25,486)
Impairment	0	0	0	0	0
At 31 March 2017	181,923	49,484	151,634	1,874	384,915
Net book value at 31 March 2017	12,819	14,073	13,088	0	39,980
Net book value at 31 March 2016	16,231	10,046	8,108	0	34,385
Asset financing:					
Owned	12,819	14,073	13,088	0	39,980
Finance leased	0	0	0	0	0
Net book value at 31 March 2017	12,819	14,073	13,088	0	39,980

7. Intangible Assets

	Software & Licences 2017-18	Software & Licences 2016-17
Cost or valuation	**£**	**£**
at 1 April	31,885	34,519
Additions	13,318	10,526
Disposals	0	(13,160)
at 31 March	45,203	31,885
Amortisation		
at 1 April	5,843	12,060
Charged in year	7,518	6,943
Disposals	0	(13,160)
at 31 March	13,361	5,843
Net book value at 31 March	31,842	26,042

8. Financial instruments

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

9. Trade receivables and other current assets

	2017-18	2016-17
	£	**£**
Amounts falling due within one year:		
Trade Receivables	22,535	81,986
Prepayments and accrued income	15,040	93,524
	37,575	**175,510**

10. Cash and cash equivalents

	2017-18	2016-17
	£	£
Balance at 1 April	249,278	196,050
Net change in cash and cash equivalent balances	38,369	53,228
Balance at 31 March	**287,647**	**249,278**
The following balances at 31 March were held at:		
Commercial banks and cash in hand	287,647	249,278
Balance at 31 March	**287,647**	**249,278**

11. Trade payables and other current liabilities

	2017-18	2016-17
	£	£
Amounts falling due within one year:		
Taxation and social security	14,004	30,133
Trade payables	27,142	39,821
Other payables	3,473	10,105
Accruals	84,496	99,420
Deferred income	5,809	5,809
	134,924	**185,288**

12. Provisions for liabilities and charges

	2017-18 £ Legal	2017-18 £ Other	2017-18 £ Total	2016-17 £ Legal	2016-17 £ Other	2016-17 £ Total
Balance at 1 April	**62,400**	**0**	**62,400**	**0**	**0**	**0**
Provided in the year	60,000	0	60,000	62,400	0	62,400
Provision utilised in the year	(62,400)	0	(62,400)	0	0	0
Balance at 31 March	**60,000**	**0**	**60,000**	**62,400**	**0**	**62,400**

13. Commitments under leases

13.1 Operating leases

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

	2017-18	2016-17
Buildings	**£**	**£**
Not later than one year	38,400	38,400
Later than one year and not later than five years	48,000	86,400
Later than five years	0	0
	86,400	124,800

13.2 Finance leases

The Commission does not have any finance leases.

14. Contingent liabilities disclosed under IAS 37

The Commission has no contingent liabilities as at 31 March 2018.

15. Capital Commitments

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

16. Related-party transactions

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

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

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

None of the Commissioners, Management Team or other related parties has undertaken any material transactions with the Commission during the year.

17. Events after the reporting period

The Supreme Court issued its judgment on 7 June 2018 in the case initiated by the Commission challenging termination of pregnancy laws in Northern Ireland. In the lead judgment on standing Lord Mance ruled that the Commission does not have the power under sections 69 and 71 of the NI Act 1998 to institute or intervene in its own name in proceedings challenging the compatibility of primary legislation including an Act of the United Kingdom Parliament with the European Convention on Human Rights. This analysis was upheld by the Supreme Court by a majority of four of the seven judges hearing the case.

As detailed in the section 'Key risks facing the Northern Ireland Human Rights Commission' since the amendment of the Commission's powers by the Justice and Security Act 2007 the Commission has had the clear understanding that it could initiate own motion litigation, ie to take human rights proceedings in its own name where there is or would be one or more victims and where the issue involves primary legislation. The Commission has reported each year to Parliament through its annual report and accounts on the basis that it has these powers. The Supreme Court judgment has determined that this is incorrect.

Following the Supreme Court's judgment the Commission has sought a response from the Secretary of State providing a clear indication on the Northern Ireland Office's intention to remedy the gap in statute in the Commission's powers as identified by the Supreme Court and the provision of a timeframe for its implementation. The Commission has also reported this development to the Chairperson of the Global Alliance of National Human Rights Institutions as required in compliance with UN General Assembly Resolution 48/134 (the Paris Principles).

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

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