Independent Reporting Commission

ANNUAL REPORT AND ACCOUNTS 2022-23

HC 1510

04 July 2023

INDEPENDENT REPORTING COMMISSION

ANNUAL REPORT AND ACCOUNTS 2022-23

(For the period ended 31 March 2023)

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

Ordered by the House of Commons to be printed on 04 July 2023

HC 1510

This publication is available online at www.ircommission.org

Any enquiries regarding this publication should be sent to us at:

Independent Reporting Commission
PO Box 2352
Belfast
BT4 9EL
Email: enquiries@IRCommission.org

ISBN 978-1-5286-3986-6

E02882748 07/23

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller
of His Majesty's Stationery Office

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Overview

Forward by the Accounting Officer

The Independent Reporting Commission (IRC) reports on progress towards ending continuing paramilitary activity connected with Northern Ireland, the implementation of measures to support that goal, and consults to inform its analysis and recommendations. It meets a broad range of individuals and organisations with expertise and experience to enable it to publish an informed Report about progress made towards ending paramilitarism once and for all. The Commission engages widely in order to encourage progress and action in this vital area, and to promote its recommendations.

The Annual Report and Accounts focuses on the way in which the IRC carried out its functions during the previous financial year. It sets out performance against business objectives and provides details of expenditure[1], including the report of an external audit carried out by the

1 By the Commission's UK Secretariat.

Comptroller and Auditor General (partnered in delivery by Ernst and Young)[2].

The Commission continued to engage, consult, report and make recommendations connected to its mandate in the financial year 2022-23, in support of concerted efforts by various agencies, departments, organisations and individuals to bring about an end to paramilitary activity connected with Northern Ireland.

The Commission published its Fifth Report on progress towards ending paramilitary activity in December 2022[3]. That Report provided the Commission's latest analysis and made six policy recommendations.

An assessment of the Commission's corporate performance during the year is set out on pages 23 to 37 of this report. In summary, the Commission performed effectively against its business objectives during the year, and met its statutory and business objectives in full. The Commission will continue to play its part in supporting the

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

3 Independent Reporting Commission Fifth Report PDF (3.4MB) (opens in a new window)

ending of paramilitary activity connected with Northern Ireland in the year ahead.

C. Atkinson

Chris Atkinson
UK Joint Secretary & Accounting Officer

Purpose of the Independent Reporting Commission

The Fresh Start Agreement recognised the need for a body to report on progress towards ending continuing paramilitary activity connected with Northern Ireland[4]. That reporting body was subsequently established by International Treaty[5] ("the Treaty") and corresponding legislation in the UK and Ireland in 2017, it was named the Independent Reporting Commission ("the Commission") and independent Commissioners were

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4 A Fresh Start: The Stormont Agreement and Implementation Plan PDF (692 KB) (opens in a new window)

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

nominated by the NI Executive and UK and Irish Governments[6].

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

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

The Fresh Start Agreement[7] was reached between the Northern Ireland Executive ("the Executive"), the UK Government and the Irish Government in 2015 following ten weeks of intensive talks convened to address the legacy and impact of paramilitary activity, and the implementation of the Stormont House Agreement. In that political Agreement, all the parties committed to:

Box 1: Extract from the Fresh Start Agreement

- work collectively to achieve a society free of paramilitarism;
- support the rule of law unequivocally in word and deed and support all efforts to uphold it;
- challenge all paramilitary activity and associated criminality;
- call for, and work together to achieve, the disbandment of all paramilitary organisations and their structures;
- challenge paramilitary attempts to control communities;
- support those who are determined to make the transition away from paramilitarism; and

7 A Fresh Start: The Stormont Agreement and Implementation Plan PDF (692 KB) (opens in a new window)

- accept no authority, direction or control on our political activities other than our democratic mandate alongside our own personal and party judgment.

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

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

The Commission reports annually on:

(a) progress towards ending continuing paramilitary activity connected with Northern Ireland; and

(b) implementation of the relevant measures of the Government of Ireland, the Government of the United Kingdom, and the Northern Ireland Executive, including the Executive's Strategy, to inform the implementation of that Strategy.

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

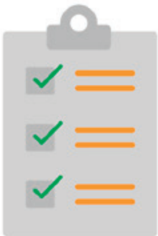
TACKLING PARAMILITARISM

FRESH START AGREEMENT
NOVEMBER 2015

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

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

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



EXECUTIVE ACTION PLAN
JUNE 2016

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

INDEPENDENT REPORTING COMMISSION BEGINS WORK
AUGUST 2017

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

PHASE TWO OF THE PROGRAMME
APRIL 2021

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

The Commission primarily reports on work being led by the Northern Ireland Executive, through its Tackling

Paramilitary Activity, Criminality and Organised Crime Programme, designed to support two longer-term objectives:

a) people and communities are safe from the harm caused by paramilitarism; and

b) people and communities are more resilient to paramilitary influence and involvement in paramilitarism, criminality and organised crime.

Through its engagement and updates and information received, the Commission is able to report annually on the implementation of the Programme and on progress towards ending paramilitary activity connected with Northern Ireland.

Composition and support

The Commission is made up of four Commissioners, with different experiences and expertise relevant to the twin track approach to this work which combines policing and criminal justice responses alongside measures to tackle the deep, socio-economic issues in the communities most affected by paramilitarism. The Northern Ireland Executive nominated two Commissioners, and the UK and Irish Governments nominated one Commissioner each to the body. Those Commissioners are all appointed until 31 March 2025[8]. They work together collectively to further the Commission's objective. The Commission was established under Treaty and as such will continue to exist as a body until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government.

The current Commissioners are:

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8 Commissioners McBurney, McWilliams and Reiss were initially appointed from 8 April 2017 to 7 August 2021. Commissioner O'Connor was appointed until September 2021. All four Commissioners had their tenures extended until end-March 2022 in July 2021, to enable them to publish a Fourth Report and to engage following its publication, and in March 2022 all four Commissioners were reappointed for a further three years from 1 April 2022.

UK Government announcement of appointments to Independent Reporting Commission (opens in a new window)

John McBurney

John McBurney is an experienced solicitor practising in Northern Ireland. He qualified in 1979 and has significant experience in major litigation, commercial transactions, conveyancing and estate management. He5has supported victims and survivors of the Troubles in his legal work. John was one of three persons tasked by the First and deputy First Ministers in December 2015 to make recommendations for a strategy to disband paramilitary groups and was subsequently nominated to the Commission by the Executive to report on progress towards that goal. In March 2023, John was appointed an independent member of a DUP-appointed consultation group/panel to report on views about the Windsor Framework.

Monica McWilliams

Monica McWilliams is an academic and former politician. She is a graduate of Queen's University Belfast and the University of Michigan, and was Professor of Women's Studies and Social Policy at Ulster University where she holds the position of Emeritus Professor. She co-founded the Northern Ireland Women's Coalition and led its negotiating team in the multi-party talks leading up to the Good Friday Agreement. She was elected to the legislative Assembly in Northern Ireland from 1998 – 2003. She was Chief Commissioner of the Northern Ireland Human Rights Commission from 2005 – 2011 and is a former Chairperson of Interpeace. Monica was one of three persons tasked by the First and Deputy First Ministers in December 2015 to make recommendations for a strategy to disband paramilitary groups and was subsequently nominated to the Commission by the Executive to report on progress towards that goal. Monica works with a number of charities: she is a Trustee for the David Ervine Foundation (for disadvantaged children) and the John and Pat Hume Foundation (to support and inspire leadership for peaceful change), and is patron of WAVE Trauma Centre (for people affected by the Troubles/conflict). Monica sits on the Governance Board of Operation Kenova. She published a book entitled Stand Up, Speak Out: My Life Working for Women's Rights, Peace and Equality in Northern Ireland and Beyond, and she contributes to capacity building work with women in a range of countries. She continues to engage in events, and working groups, at home and abroad on matters relating to equality and rights, legacy, the future of Northern Ireland and to support peace and reconciliation. Monica was nominated to the Commission by the Executive.

Tim O'Connor

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

Mitchell B. Reiss

Mitchell B. Reiss is a former United States Special Envoy for Northern Ireland with the rank of Ambassador. He was also the Director of Policy Planning at the State Department and has worked at the National Security Council. Outside of government, he has been a Partner in the Brunswick Group, helping lead their geopolitical risk practice, President and CEO of The Colonial Williamsburg Foundation in Virginia and President of Washington College in Maryland. Mitchell is on the Board of the International Churchill Society (dedicated to preserving the legacy of Sir Winston Churchill), and has published widely on national security issues. He consults in the United States and globally on higher education and historic sites. Mitchell was nominated to the Commission by the UK Government.

Support Arrangements

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

The costs of the UK Secretariat and remuneration for Commissioners McBurney, McWilliams and Reiss are funded by the UK Government. These Accounts relate to expenditure incurred by the UK Secretariat, including payments made to those three Commissioners during the year. The UK Secretariat is sponsored by the Northern Ireland Office, but operates wholly independently as an arm's length body. Detailed parameters of that relationship are set out in a Framework Document, which was updated this year[9]. The costs of Irish civil servants and remuneration for Commissioner O'Connor are funded by the Irish Government and are not the subject of this Report.

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

Financial Statements

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

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9 Independent Reporting Commission Framework Document PDF (1MB) (opens in a new window)

Commission's activities

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

The table below sets out the number of Commission meetings held and the number of stakeholders the Commissioners and Secretariat met during the period 1 April 2022 to 31 March 2023 (since 2020-21 figures are also included for meetings undertaken by the Secretariat on the Commission's behalf; that information was not previously recorded in this format).

	1/4/22 – 31/3/23	1/4/21 – 31/3/22	1/4/20 – 31/3/21	1/4/19 – 31/3/20	1/4/18 – 31/3/19
Number of meetings (Commissioners)	57	81	60	74	65
Number of stakeholders (Commissioners) [10]	76	106	76	154	80
Number of meetings (Secretariat)	90	84	32	-	-
Number of stakeholders (Secretariat) [11]	69	66	18	-	-

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

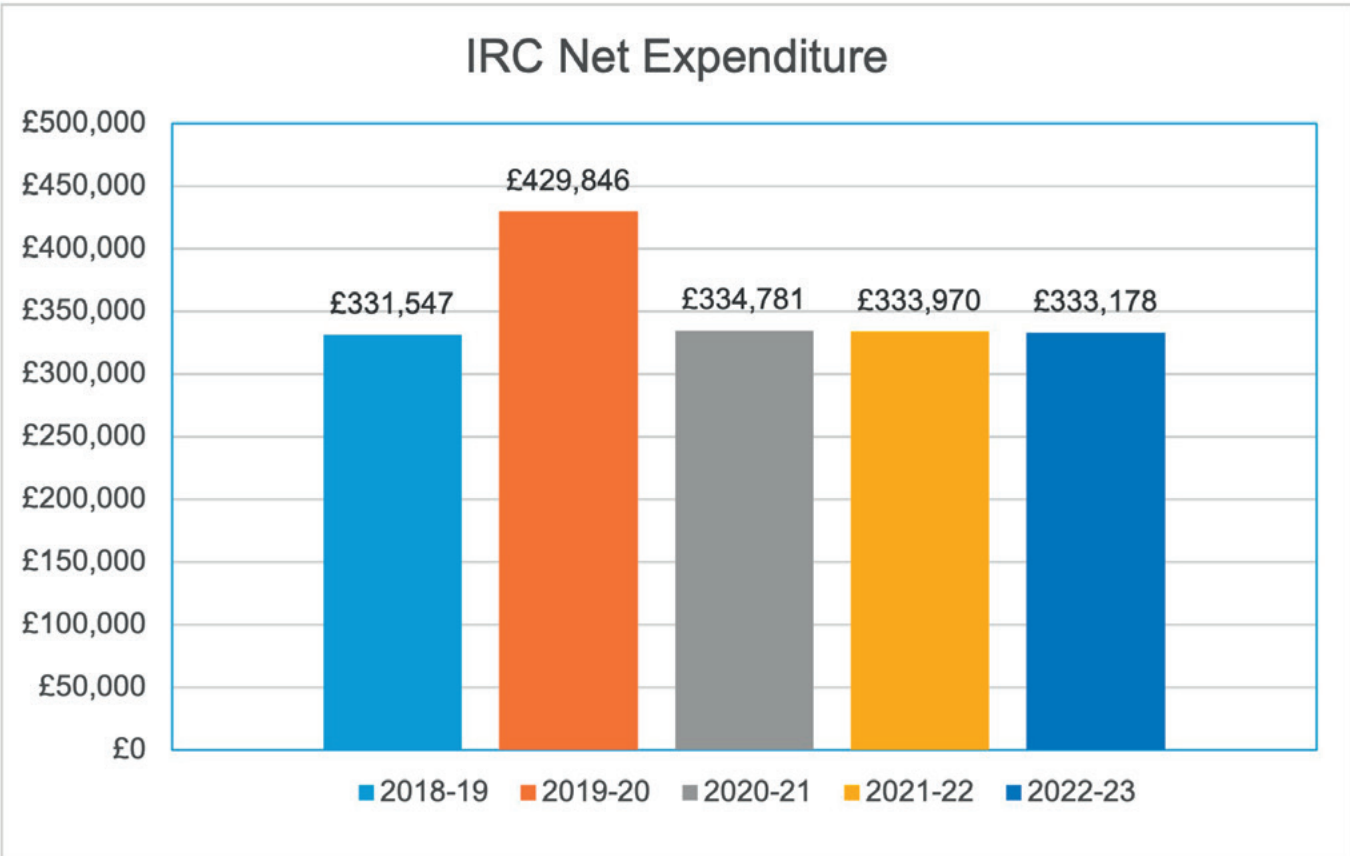
11 A number of these stakeholders engaged with the Secretariat on more than one occasion during the year; they are only counted once for the purposes of this figure.

The Commission is required to report annually on progress tackling paramilitarism and it published its Fifth Report in December 2022[12].

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

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

The Commission's primary expenditure is on: staff costs (Commissioners and UK Secretariat); accommodation and services; professional services including media support, research and audit; and travel, subsistence and hospitality (as detailed in the Financial Statements). A detailed breakdown of costs is set out in Notes 2 and 3 on pages 105 and 106. The Commission has not launched any new programmes or projects, and has not encountered any significant financial issues. The table below shows the IRC's annual expenditure since its formal establishment.



Our Performance

The Commission's Strategic Direction and Business Plan[13] underpins the work undertaken by the Commission to discharge its Treaty functions as well as those requirements common to all public sector organisations in relation to good governance and the effective use of resources. The Commission's objectives are reviewed annually to ensure that they remain fit for purpose. All objectives were met in full during the period 1 April 2022 to 31 March 2023. The Commission will continue to fulfil its mandate of reporting, consulting/engaging and making recommendations in the coming Financial Year.

13 Independent Reporting Commission Strategic Direction and Business Plan 2022/23 PDF (775 KB) (opens in a new window)

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

<table>
<tr><td>1.</td><td>To report annually or more frequently if jointly requested by the UK and Irish Governments, on progress towards ending continuing paramilitary activity, in particular from those paramilitary groups declared to be on ceasefire.</td><td>To provide a considered analysis of progress adopting a twin track approach to:
• the impact of criminal justice interventions; and
• broader societal impact.</td></tr>
<tr><td colspan="3">The Commission published its Fifth Report on progress towards ending paramilitary activity on 7 December 2022. The Report was laid before the Houses of Parliament and Oireachtas, and presented to the NI Assembly, and a press conference was held to present key messages from the Report. The Commission also met Ministers and officials to discuss their analysis, findings and recommendations.

Throughout the course of the financial year the Commissioners held 57 meetings and consulted with 76 stakeholders to inform their analysis, including NI Executive parties, the UK and Irish Governments, the Police Service of Northern Ireland, An Garda Síochána, statutory agencies, academics, individuals, local communities and civic society organisations. In addition, the Secretariat undertook 90 meetings with 69 stakeholders on the Commission’s behalf. (Some of these stakeholders engaged with the Commission more than once). We continued to invite members of the public and other organisations to correspond on issues they wished to draw to the Commission’s attention. These meetings and engagements helped the Commission to better understand the impact of paramilitarism on communities and the effect of various interventions, initiatives and projects, and informed the Report.</td></tr>
</table>

Section B of the Report presented data and research about the level and impact of paramilitary activity, building on similar analysis in previous Reports. The Report also included detailed information in Section C about activities and work under Phase Two of the Executive's Tackling Paramilitary Activity, Serious and Organised Crime Programme, which started in 2021 and is now well underway and delivering results. A key difference between Phase One and Phase Two is that the former was focused on individual project outputs and outcomes, whereas in Phase Two all projects are working to shared outcomes. The Report also covers relevant commitments made by the UK and Irish Governments related to the Fresh Start Agreement. The Commission has discussed the findings of the Report widely since its publication, to ensure its analysis and recommendations are well understood. No ad-hoc reports were requested by the UK and Irish Governments during the reporting year.

2.	To report on the implementation of the relevant measures of the Irish Government, the UK Government and the Northern Ireland Executive, including the Executive's Tackling Paramilitary Activity, Criminality and Organised Crime Action Plan.	To provide: • valuable visibility on progress; • ongoing impetus to implementation of the Executive's Action Plan; and • valuable visibility on the relevant measures of the Irish Government and the UK Government.

The Commission's reports include an analysis of the implementation of measures set out in the Executive Action Plan and Phase 2 of the Tackling Paramilitary Activity, Serious and Organised Crime Programme. In addition to comments in the Overview Section, Section C of the Report gave detailed comments on various projects and initiatives.

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

Key points from the Commission's Fifth Report included:

Fresh Start identified a key goal: the ending of paramilitarism "once and for all". In doing our work, we are mandated to look at progress on delivering against the wider, more comprehensive approach that was decided upon for tackling paramilitarism by the NI Executive and UK and Irish Governments – one that combined policing and justice responses with a wide range of measures aimed at addressing the systemic socio-economic challenges besetting communities where the paramilitaries mainly operate. In our analysis, we have termed that the Twin Track approach to ending paramilitarism.

2022 has been another mixed year in respect of efforts to bring paramilitarism to an end. Reaction to political developments, particularly relating to the Protocol on Ireland and Northern Ireland of the EU-UK Withdrawal Agreement, led to new instability at political level, which in turn fed speculation about the potential for a resurgence of paramilitary activity. A number of paramilitary-related incidents served to heighten that speculation. Overall, we have not altered our view that the risks posed to society by the continuing existence of Paramilitary Groups and structures mean that paramilitarism remains a clear and present danger in and for Northern Ireland.

We make the case that there are reasons both to be encouraged and for continuing concern. On the positive side, some of the data around paramilitary activity showed reductions and there has been good progress in several of the initiatives being developed by the Programme. The Fresh Start process has established a whole new infrastructure to tackle paramilitarism, involving a wide range of measures and initiatives which are now beginning to gain real traction, and with a whole cohort of organisations and services, at public sector and community levels, actively engaged in the process. In 2022, there was particular evidence of this as Phase Two of the Programme continued to be rolled out and has started demonstrating some significant dividends.

Moreover, we note the increasing emphasis on a Whole of Government approach to tackling paramilitarism, which is at the heart of the Executive Programme. In this report we welcome the establishment of the Sponsor Group, under the leadership of the Head of the Northern Ireland Civil Service, which draws together senior officials from those departments and agencies involved in tackling paramilitarism, to implement the strategic direction of the Programme and demonstrating the necessary collaborative culture between departments and agencies and making linkages between and beyond this and other Executive initiatives. We see this as having the potential to foster further change and to drive in a holistic way the wider transformative work that the IRC and the Fresh Start Agreement itself identified as necessary to deal comprehensively with paramilitarism.

The Police Service of Northern Ireland (PSNI) continues to play a crucial role in tackling paramilitarism through its law enforcement activities against Paramilitary Groups and individuals claiming affiliation to those groups, through the Paramilitary Crime Task Force, the Terrorism Investigation Unit, collaborative working with the National Crime Agency and partnership with other bodies including HMRC (UK Tax Authority). Many PSNI teams are involved in this work, including Community Safety, Local Policing, Crime Operations and others, as the problem of paramilitary crime takes many forms and needs to be tackled in many different contexts (rural, urban, localised and regional). Criminality with a backdrop of a paramilitary allegiance (whether sanctioned by groups or not) has a pervasive effect on local communities, and causes harm to individuals, groups and society. Good work is being done in this regard and we urge the PSNI to continue to pursue those involved in this criminality and to use all of the resources at their disposal to do so. We also note and welcome the join-up between the Department of Justice, the Northern Ireland Office and the various agencies in tackling the "shared ecosystem" of organised crime, paramilitary crime and national security in line with commitments contained in the Fresh Start Agreement. As with all of this work, collaboration and effective joined-up working are crucial to success, and we urge all those involved to continue to focus on threat, risk and harm caused. Cross-border law enforcement co-operation continues to be a vital part of this work, including through the Joint Agency Task Force (set up to tackle organised and cross jurisdictional crime).

While we report on these positive developments, the reality is that there remains much to be concerned about, and much work to be done in ending paramilitarism definitively. We remain concerned about the risks posed to society by the continuing existence of paramilitary structures and groups which can be harnessed for the purposes of violence or the threat of violence. One reason for our concern is the absence, to date, of a plan to address the continuation of the structures and infrastructure of paramilitarism – which we believe would be best addressed by our proposal for a process of engagement with Paramilitary Groups themselves with a view to Group Transition and disbandment. We see Group Transition as a necessary addition to, and working in parallel with, the Twin Tracks of a policing and criminal justice response and addressing the socio-economic challenges of the communities concerned.

We believe that Group Transition would help empower communities, deepen the rule of law, foster further participation and equality in civic life and could result in much needed investment; all as part of the continuing transformation of Northern Ireland as well as contributing to reconciliation efforts. We continue to believe that if those obstacles and concerns can be overcome, the prize of success would be a major achievement for the whole of society.

In this report we develop our thinking further on our previous Recommendation of the need for consideration of a process of Group Transition. We remain firmly of the belief that a formal process of engagement is needed with the Paramilitary Groups if Group Transition and disbandment are to be achieved. We urge the two Governments, the NI parties and civic society to give urgent consideration to a comprehensive process of Group Transition, building on models from elsewhere, including the concept of DDR (Disarmament, Demobilisation and Reintegration). In addition, we believe there would be merit in preparing the ground for a formal process. This could be done, for instance, by the Governments appointing (with the support of the Executive) an Independent Person who would be authorised to speak to the various interested parties, including the Paramilitary Groups themselves.

What is involved in tackling paramilitarism is not amenable to short-term solutions, but rather will require a long-term commitment and comprehensive focus. That is why we believe that it is vital that funding for a Programme and the goals behind it must be maintained well into the future. Furthermore, dedicated and targeted investment is not sufficient alone. Funding for prevention, tackling socio-economic need and transformative change must also be priorities.

We highlight a number of initiatives that are working well, including local and neighbourhood approaches to policing, Youth Service work with young people who have been harmed by paramilitaries and/or those who are most at risk from them, multi-agency hub collaborative arrangements, and community-based initiatives such as Communities in Transition. We also highlight a number of other areas where we believe further progress is required, including the passage of organised crime legislation, further work to remove avoidable delay from the criminal justice system and support for ex-prisoners.

The well-established public health approach – which treats violence like a disease, seeks to understand its causes and develops innovative practice to prevent it – is an important model and we welcome the Programme's commitment to it. We have previously called for a "Whole of Government" approach to tackling paramilitarism and believe that further embedding this public health approach will help with ensuring that everyone plays their part in tackling paramilitarism (whether funded by the Programme or not). In addition, tackling paramilitarism should be a dedicated outcome in an Executive Programme for Government.

The underlying goal of the Belfast/Good Friday Agreement is the transformation of society into an entirely peaceful one, based on the politics of accommodation and reconciliation. The continuation of paramilitarism is part of the unfinished business of the Agreement. We would strongly urge, therefore, a redoubling of efforts over the coming year by focusing on developing a process of Group Transition.

Overall, we believe there are grounds to be encouraged by the progress made. However, there is no doubting the scale of what still remains to be done. We reiterate that there is now an opportunity as the 25th Anniversary of the Belfast/Good Friday Agreement approaches to re-double efforts at all levels to achieve the vision of that Agreement of a Northern Ireland free of paramilitarism and based entirely on the principles of peace and democracy.

The Report made 6 recommendations, which are recapped under objective 4 below.

<table>
<tr><td>3.</td><td>In carrying out its functions, consult:
the Northern Ireland Executive, the PSNI, relevant statutory agencies, local Councils, communities and civic society
the UK Government and relevant law enforcement agencies,
the Irish Government and relevant law enforcement agencies</td><td>To engage to inform the work of the Commission and understand the issues under its consideration.</td></tr>
<tr><td colspan="3">The IRC’s engagement with stakeholders throughout the 2022-23 financial year was driven by its statutory duty to report on progress towards ending paramilitary activity connected with Northern Ireland.
A Stakeholder Engagement Plan was in place and during the year we engaged with the leaders of the five main political parties (or their representatives), statutory agencies, community groups, community representatives, individuals and civic society organisations. The Commission’s engagements this year also included consultations with officials of the Northern Ireland Office and the Secretary of State for Northern Ireland, the PSNI, the National Crime Agency, HMRC and others. In addition, the Commission met senior officials and Ministers in the Department of Justice, the Department of Foreign Affairs and law enforcement agencies in Ireland during the reporting period.
The Commissioners drew on all of this engagement, and its other activities described in the Report, to develop its analysis of progress towards ending paramilitary activity which was published in its December 2022 Report.</td></tr>
</table>

4.	Make recommendations to the Northern Ireland Executive in order to inform future Programme for Government priorities and commitments through to 2023.	To make recommendations where appropriate that influence the Programme for Government and to inform the implementation of the Executive's Programme.

The Commission made six recommendations in its Fifth Report on progress towards ending paramilitary activity and provided an update on the actions taken regarding previous recommendations – where necessary it highlighted areas for further work. These recommendations were:

1. A Process for Paramilitary Group Transition

We reiterate our call to the two Governments, the NI parties and civic society to give urgent consideration to a comprehensive process of Group Transition, building on models from elsewhere, including the concept of DDR. We believe that there would be merit in preparing the ground for a process and encourage the Governments to consider appointing (with the support of the Executive) an Independent Person who would be authorised by them to speak to the various interested parties, including the paramilitary groups, to gather their views and thereby help ensure that any resulting process that emerged had the highest chance of success.

2. Sponsor Group to deepen focus on collaborative working

In welcoming the establishment of the Sponsor Group – against the background of the importance we attach to joined-up, strategic leadership of the effort to end paramilitarism – we urge that the Group continues to deepen its focus on collaborative working across all dimensions of that effort.

3. Prioritise the introduction of organised crime legislation

Having seen how effective the use of organised crime legislation has been in disrupting organised crime in other jurisdictions we consider this legislation to be a crucial additional tool in the fight against paramilitary and organised crime. We urge the Justice Minister and the Executive to prioritise legislation for this in the next mandate of the Northern Ireland Assembly.

4. Financial support for tackling paramilitarism to be maintained to the full

Ending paramilitarism requires an ongoing and comprehensive focus, including multi-year financial commitments to reflect the need for sustained investment. Financial support for a tackling paramilitarism programme and initiatives should be maintained to the full by the UK Government and the Northern Ireland Executive. However, dedicated and targeted investment is not sufficient alone. Funding for prevention, tackling socio-economic need and transformative change must also be priorities. The Executive should budget appropriately for transformational socio-economic change and the UK Government must ensure that its Levelling Up work gives sufficient priority to tackling paramilitarism and associated socio-economic challenges. Maintaining funding for the PSNI is also critical in ensuring that they can continue to deliver an effective policing service, including their vital contribution to efforts to tackling paramilitarism.

5. Further embedding of the public health approach

The established public health approach – which treats violence like a disease, seeks to understand its causes and develops innovative practice to prevent it – is an important model and we welcome the Programme's commitment to it. We have previously called for a "Whole of Government" approach to tackling paramilitarism and believe that further embedding of this public health approach will help with ensuring that everyone plays their part in tackling paramilitarism (whether funded by the Programme or not).

6. Deepening of the multi-agency and collaborative approaches
Building on recommendation five, we commend the efforts of those involved in joined-up multi-agency working to tackle issues related to paramilitarism. The collaborative approaches dealing with complex issues in certain areas – including the locality model (devising local approaches and solutions to issues) and the multi-agency support hubs – are significant initiatives that have shown real value. These initiatives and their approaches have been key in supporting the vulnerable in communities and reducing the harm of paramilitarism, and should also help support strengthening communities. We recommend further roll out of such approaches and initiatives in areas where they are most needed. The Commission held follow-up meetings with various stakeholders to discuss their response to the recommendations as part of their regular engagement.

5.	Carry out functions with a view to supporting long term peace and stability in society and stable and inclusive devolved Government in Northern Ireland.	To report on practical, comprehensive and effective measures which contribute to a society free of paramilitary activity and to highlight areas of good practice in this regard.
Detailed commentary on the implementation of measures to tackle paramilitarism was set out in the Commission's Report on progress towards ending paramilitary activity published on 7 December 2022. The report highlighted where good progress has been made and where further progress is required. A number of examples of good practice were also highlighted.		

<table>
<tr><td>6.</td><td>To maintain high standards of corporate governance and ensure value for money is achieved.</td><td>• To achieve high standards of corporate governance.
• To ensure value for money.
• Website established in line with Commission requirements.
• To ensure all information and information assets are managed and stored by the Commission in line with relevant policy.</td></tr>
<tr><td colspan="3">The Commission has well-developed systems and structures in place for managing its corporate governance responsibilities, and adheres to relevant policies, procedures and requirements. A broad range of relevant corporate governance documents are in place and govern how the Commission undertakes its work. Those documents are regularly reviewed and a review schedule is in place.

The Commission follows public sector procurement regulations, policy and practice to ensure that value for money is achieved. Rigorous financial monitoring arrangements are in place and operated, and the IRC’s spend was within budget again this year. In-year efficiencies were identified and made. Payments were processed in line with agreed procedures and timelines. The Commission published its Annual Report and Accounts for 2021-22 on 30 June 2022.

As covered in greater detail on pages 38-41, 44-45 and 54-56 of this document, a risk register was maintained and reviewed regularly to underpin the approach to risk, and risks were managed on an ongoing basis.

The UK Secretariat engaged regularly with a Northern Ireland Office sponsor team and its finance team throughout the year, in line with policy and the IRC’s framework document.</td></tr>
</table>

The Commission has its own website with relevant information and it is updated with publications as appropriate. The UK Secretariat adopts relevant UK and Irish Government policies in relation to management and storage of information and information assets. A framework to ensure compliance with General Data Protection Regulation (GDPR) requirements is in place.

7.	Maintain an effective secretariat to enable the Commission to deliver on its statutory duties and objectives.	• Ensure that the necessary staff and resources are secured to meet the full requirements of the Commission within budget allocation. • The provision of an efficient and effective service to the Commission. • Ensure the protection of the good reputation of the Commission.
UK Secretariat staff worked jointly with their counterparts in the Irish Secretariat to deliver a high-quality and efficient service to the Commission. Vacancies arising in the UK Secretariat during the year were filled in line with Civil Service recruitment practice.The budget was carefully managed and staff were managed, appraised and developed in line with relevant Human Resource and Departmental requirements. A media adviser was engaged to support the Commission. The adviser led planning and arranging the media campaign for the launch of the Commission's Reports, managed media enquiries throughout the year and provides public relations advice in order to uphold and maintain the IRC's reputation. In addition, the Commission through all of its work - particularly engagement, consultation and reporting - strove to promote and uphold the reputation of the Commission.		

Sustainable Development:

The Commission is treated as an Executive Non-Departmental Public Body of the Northern Ireland Office for accounting purposes. It is not part of a government department, operates at arm's length from ministers and employs less than 50 employees, and is exempt from complying with His Majesty's Treasury guidance on sustainability reporting. However, the Commission supports 'Greening Government' commitments and broadly mirrors the Northern Ireland Office's best practice in relation to sustainability and reducing impact on the environment. This includes the use of video and teleconferencing facilities to reduce our energy "footprint", reducing our energy consumption through the use of modern and more efficient technology, and staff operating out of premises managed in accordance with sustainable standards.

Key risks and issues

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

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

The impact of COVID-19 was less this Financial Year than in the previous year. However, the Commission will continue to mitigate that risk by maintaining its ability to conduct meetings with stakeholders remotely, using online video-conferencing facilities where appropriate, and maintaining the well-developed capability for staff to work from home, and keeping government guidelines under review.

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

The Statement of Financial Position at 31 March 2023 shows net liabilities of £10,705 (2022: £12,828). The Commission will continue to exist until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government. The future financing of the Commission's liabilities, in relation to the costs of the UK Secretariat and remuneration of three Commissioners, will continue to be met by the Northern Ireland Office in Financial Year 2023-24. The Commission's 2023-24 budget reflects the 2022-25 spending review settlement, which provides budgetary certain for the going concern period being 12 months from the date of this report. There is also an ongoing commitment to support the work of the Commission until Treaty obligations are terminated – the NIO has given no indication that it intends to pursue this course of action at this point in time. The Tackling Paramilitary Activity, Criminality and Organised Crime Programme has been extended until at least 2024, and the UK and Irish Governments and NI Executive renominated and reappointed the Commissioners for a further three year period in 2022. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2022-23 financial statements.

C. Atkinson

Chris Atkinson

UK Joint Secretary & Accounting Officer

27 June 2023

Accountability Report

Corporate Governance Report

Director's Report

Introduction

The UK Secretariat to the Commission is sponsored by the Northern Ireland Office. For accounting purposes, the Commission is treated as a Non-Departmental Public Body. The Commission's statutory responsibilities and governing legislation are set out on pages 7 to 12 of the Performance Report.

Commission membership

The following served as Commissioners during the reporting period:

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

Their biographies can be found on pages 13 to 17 of this Report.

Recruitment Practice

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

The Commission also made use of services provided by an external media adviser who was appointed under public sector procurement procedures – that contract contained an option for a possible one-year extension by mutual agreement, which was exercised in March 2023.

Audit, Risk and Assurance Committee

The Northern Ireland Office's Audit, Risk and Assurance Committee provides a challenge and assurance function for the Commission. As at 31 March 2023, the Northern Ireland Office's Audit, Risk and Assurance Committee comprised:

- Les Philpott (Chair);
- Fiona Ross, Non-Executive Director (appointed 1 March 2023);
- Neil Sayers, Non-Executive Director;
- Louise Wilson, Non-Executive Director (resigned 30 November 2022).

Risk Management

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

Personal Data Related Incidents

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

Register of Interests

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

Auditors

The financial statements are audited by the Comptroller and Auditor General. The audit fee for this period is

£9,200 (plus VAT). The audit fee for 2021-22 was £8,000 (plus VAT).

During 2022-23, the Commission’s internal audit services were provided by the Government Internal Audit Agency.

Statement of Accounting Officer’s Responsibilities

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

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

- observe the Accounts Direction issued with the consent of the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether the applicable accounting standards as set out in the *Government Financial Reporting Manual*

have been followed, and disclose and explain any material departures in the accounts;

- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Northern Ireland Office, with the consent of the Treasury, has appointed the UK Joint Secretary of the Commission as the Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Commission's assets are set out in Managing Public Money published by His Majesty's Treasury.

Statement on the disclosure of relevant audit information

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

Governance Statement

Introduction and Context

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

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

The UK Secretariat consists of three seconded staff, including myself as the UK Joint Secretary. The UK and Irish Secretariats meet at least weekly and the Commission meets on a monthly basis. As the UK Joint Secretary, I am also appointed as Accounting Officer and so am responsible and accountable to Parliament for the use of UK public money and the stewardship of public assets.

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

Scope of Responsibility

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

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

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

Governance Framework

As Accounting Officer I have agreed a Framework Document with the Northern Ireland Office which sets down the Commission's broad framework and governance arrangements, and lines of accountability (in accordance with Chapter 7 of Managing Public Money and the principles set out in *Partnerships between departments and arm's length bodies: code of good practice*).

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

I complete Stewardship Statements to provide reassurances that adequate governance controls to ensure effective corporate management are in place based on my own knowledge of the Commission's corporate governance regime and activities. These statements are sent to the UK Secretariat's sponsor Department and to the Northern Ireland Office's Audit, Risk and Assurance Committee. The purpose of the statements is to provide assurance to the sponsor department that specific responsibilities have been exercised with due care and attention.

Commission's Performance

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

As noted on pages 23 to 37 of this Report, the Commissioners are satisfied that the end of year assessment is that the Commission's overall performance was effective and that all objectives were met in full during the year. The Commissioners kept the quality of the data they received from the Secretariat under review and were satisfied with the level and accuracy of the information made available to them.

Risk Management and control

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

Work of the Audit, Risk and Assurance Committee

Due to the size of the Commission it would not be proportionate for it to be supported by an independent Audit and Risk Committee. The Northern Ireland Office's Audit, Risk and Assurance Committee provides this advisory function to the Accounting Officer and monitors the system of internal controls operated by the Commission.

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

On the basis of the issues discussed and the evidence presented at its meetings during the reporting period the Audit, Risk and Assurance Committee concluded that the assurances it received throughout the year were satisfactory, and no significant internal control issues were identified. Information about other work of the Audit, Risk and Assurance Committee is reported in the Annual Report and Accounts of the Northern Ireland Office.

Work of Internal Audit

During 2022-23 internal audit services were available to the Commission under agreement with the Government Internal Audit Agency. Although it was not deemed necessary to conduct any standalone audits of the Commission in-year, the Northern Ireland Office's public bodies were included where relevant in the scope of NIO audits during the reporting period. During 2022-23, this included an audit of NIO cyber security and the Commission will be monitoring the implementation of recommendations from this audit as they may apply to our work.

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

Capacity to manage risk

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

Throughout the year the Commission had a risk register in place that has been assessed and reviewed by the Joint Secretaries and by the Commissioners on a quarterly basis. The Commission operates a "traffic light" corporate risk register in line with the Northern Ireland Office's risk management policy. Further detail about the risks facing the Commission are set out on pages 38 to 40.

Information Assurance

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

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

Summary of effectiveness

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

C. Atkinson

Chris Atkinson

UK Joint Secretary & Accounting Officer

27 June 2023

Remuneration and Staff report

Commissioners' numbers and costs

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

Remuneration policy

The UK Joint Secretary's post is graded within the Senior Civil Service (SCS). Pay and performance management arrangements for this post are in line with guidance issued by the Cabinet Office*: Guidance for Approval of Senior Pay* (applicable from April 2018)*.* Increases in the UK Joint Secretary's base pay are in line with the parameters of the Senior Salaries Review Board.

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

Contracts of employment

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

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

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

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

Single total figure of remuneration table (audited information)

	Salary/ Remuneration (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits (to nearest £1,000)[14]		Total (£'000)	
	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22	22-23	21-22
UK Joint Secretary, Marie Patterson (in post from 1st September 2020 to 30th September 2021)	-	45-50 (70-75 FYE)	-	-	-	-	-	102,000	-	150-155
UK Joint Secretary, Chris Atkinson (in post from 16th August 2021)	75-80	45-50 (70-75 FYE)	-	-	-	-	30,000	19,000	105-110	60-65
Commissioner, John McBurney	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Commissioner, Monica McWilliams	15-20	15-20	-	-	-	-	-	-	15-20	15-20
Commissioner,Mitchell Reiss	15-20	15-20	-	-	-	-	-	-	15-20	15-20

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

Salary and Remuneration

“Salary” includes gross salary; performance pay or bonuses; overtime; and any other allowance subject to UK taxation. “Remuneration” is the annual amount paid to the Commissioners and Joint Secretary. The Commissioners do not receive performance pay or bonuses, overtime, or any other allowance. This remuneration and staff report is based on accrued payments made by the Commission and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument (salary).

There were no benefits in kind paid during the 2022-23 financial period, or the 2021-22 financial period.

Fair Pay Disclosures (audited information)

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

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

The percentage change in the highest paid director’s salary and allowance was 3 % and the percentage change in performance pay and bonuses payable was nil % for the highest paid director.

For employees of the entity taken as a whole, the average percentage changes from the previous financial year of salary and allowances was increased by 8.3%, and the percentage change in performance pay and bonuses payable was 100% (2021-22, nil).

The ratio between the highest paid director’s remuneration and the pay and benefits of the employee on the 25th percentile of pay and benefits of the entity’s employees for the financial year was 2.38:1 (2021-22, 2.31:1). The ratio between the highest paid director’s remuneration and the pay and benefits of the employee on the 75th percentile of pay and benefits of the entity’s employees for the financial year was 1.70:1 (2021-22, 1.64:1). The increase in the ratio is due to a small increase in remuneration of the highest paid member of staff.

The banded remuneration of the highest-paid member of staff of the UK Secretariat in the financial year 2021-22 was £75,000 – £80,000 (2021-22, £70,000 - £75,000). This was 1.98 times (2021-22, 1.92) the median remuneration of the workforce which was £39,097 (2021-22, £37,773). The increase in the ratio is due to a small increase in remuneration of the highest paid member of staff. The median pay ratio for 2022-23 is consistent with the pay, reward and progression policies for employees taken as a whole. The range of staff remuneration in 2022-23 was £25,927 (2021-22, £25,118) for the lowest paid member of staff, to £75,705 (2021-22, £74,170) for the highest paid member of staff. The lower quartile remuneration (i.e. the total remuneration of the staff member (s) on the 25th percentile of the linear distribution) and the upper quartile on the 75th percentile of the linear distribution – excluding the highest paid member of staff were £32,512 and £45,682 (2021-22: £31,445 and £45,282). The salary component for the median, 25th percentile and 75th percentile figures were £38,797, £32,312 and £45,282 respectively.

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

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

Pension Benefits (audited information)

Commissioners

No pension contributions were made for Commissioners in the period ended 31 March 2023 or in the period ended 31 March 2022.

Accounting Officer

	Accrued pension at pension age as at 31/03/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/23	CETV at 31/3/22	Real increase in CETV	Employer contribution to partner-ship pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
UK Joint Secretary, Chris Atkinson	10-15	0-2.5	134	113	10	-

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

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme (or “Alpha”) – which provides benefits on a career average basis with a normal pension age equal to the member’s State Pension Age (or 65 if higher). From that date all newly appointed employees and the majority of those already in service joined Alpha. Prior to that date, employees participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (Classic, Premium or Classic Plus) with a normal pension age of 60; and one providing benefits on a whole career basis (Nuvos) with a normal pension age of 65.

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

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

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75%. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Classic Plus, 65 for members of Nuvos, and the higher of 65 or State Pension Age for members of Alpha. (The pension figures quoted show pension earned in PCSPS or Alpha, as appropriate. Where there are benefits in both the PCSPS and Alpha the figure quoted is the combined value of the benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found here at Civil Service Pensions (opens in a new window).

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.

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

Real increase in CETV

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

Staff Report

Staff and Commissioner numbers and related costs (audited information)

	2022-23 total	Commissioners	Permanently Employed and inward seconded staff	2021-22 total
	£	£	£	£
Wages and salaries	195,908	52,452	143,456	184,943
Social security costs	19,692	2,617	17,075	17,762
Other pension costs	39,609	-	39,609	39,379
Total Staff Costs	**255,209**	**55,069**	**200,140**	**242,084**

Past and present employees of the Commission are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), the PCSPS (NI), the Civil Service and Others Pension Scheme (CSOPS) and CSOPS (NI). These are unfunded multi-employer defined benefit schemes but the Commission is unable to identify its share of the underlying assets and liabilities.

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

For 2022-23, employers' contributions of £39,609 (2021-22 £39,379) were payable to PCSPS in the range 27% to 28.1% of pensionable earnings, based on salary bands for Civil Service Pension.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employee opted to participate in the partnership pension in 2022-23.

Average number of persons employed (audited information)

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

	2022-23			2021-22
	Total	Commissioners	Permanently Employed and inward seconded staff	Total
Directly employed	6	3	3	6
Total	6	3	3	6

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

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

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

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

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

Reporting of Civil Service and other compensation schemes – payments for loss of office (audited information)

There were no payments for loss of office in 2022-23 (nil in 2021-22).

Reporting of expenditure on consultancy

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

Reporting of off payroll engagements

There was no expenditure on off payroll engagements in 2022-23 (nil in 2021-22).

C. Atkinson

Chris Atkinson
Accounting Officer

27 June 2023

Parliamentary Accountability and Audit Report

Parliamentary Accountability Disclosures

1. Regularity of expenditure (audited information)

   All expenditure was applied to the purpose intended by Parliament.

2. Losses and special payments (audited information)

   There are no losses and special payments to report (nil in 2021-22).

3. Remote Contingent Liabilities (audited information)

   There are no remote contingent liabilities requiring disclosure (nil in 2021-22).

4. Income in relation to Fees and Charges (audited information)

   No fees or charges were collected (nil in 2021-22).

5. Long-term expenditure trends

   A table on page 22 shows the IRC's annual expenditure in the last five years.

6. Use of Government functional standards

   As part of our commitment to good governance and supporting continuous improvement, we are working with our sponsor department to understand the suitability and applicability of relevant Government Functional Standards.

C. Atkinson

Chris Atkinson
Accounting Officer

27 June 2023

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

Opinion on financial statements

I have audited the financial statements of the Independent Reporting Commission for the year ended 31 March 2023 in accordance with Article 10 of the September 2016 Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of Ireland establishing the Independent Reporting Commission (“the Treaty”).

The financial statements comprise the Independent Reporting Commission’s:

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

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Independent Reporting Commission’s affairs as at 31 March 2023 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with Article 10 of the Treaty and the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council’s *Revised Ethical*

Standard 2019. I am independent of the Independent Reporting Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the Treaty and the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Article 10 of the Treaty and the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

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

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

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

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Independent Reporting Commission from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Article 10 of the Treaty and the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office;

- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Article 10 of the Treaty and the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office; and
- assessing the Independent Reporting Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Independent Reporting Commission will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Independent Reporting Commission's accounting policies;
- inquired of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation

relating to the Independent Reporting Commission's policies and procedures on:

  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Independent Reporting Commission's controls relating to the Independent Reporting Commission's compliance with the Treaty, the Framework Document agreed between the Independent Reporting Commission and the Northern Ireland Office, the Northern Ireland (Stormont Agreement and Implementation Plan) Act 2016 and Managing Public Money;

- inquired of management, the head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the

Independent Reporting Commission for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

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

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor’s responsibilities

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

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

Gareth Davies

Gareth Davies **Date:29 June 2023**

Comptroller and Auditor General

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

Financial Statements

Statement of Comprehensive Net Expenditure

For the Year Ended 31 March 2023

		For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	Note	£	£
Expenditure			
Staff costs	**2**	255,209	242,084
Other expenditure	**3**	77,969	91,886
Total operating expenditure		333,178	333,970
Net Operating Expenditure		**333,178**	**333,970**

The Independent Reporting Commission has no gains or losses other than Net Operating Expenditure during 2022-23 (2021/22 £nil). There was no other comprehensive income or expenditure during 2022-23 (2021/22 £nil).

All amounts above are in respect of continuing operations.

The notes on pages 98 to 108 form part of these accounts.

Statement of Financial Position

As at 31 March 2023

		At 31 March 2023	At 31 March 2022
	Note	£	£
Current Assets			
Trade and Other Receivables	**5**	3,844	-
Total Current Assets		**3,844**	**-**
Current Liabilities			
Trade and other payables	**6**	(14,549)	(12,828)
Total Current Liabilities		**(14,549)**	**(12,828)**
Total Assets less liabilities		**(10,705)**	**(12,828)**
Taxpayers' Equity			
General Fund		(10,705)	(12,828)
Total Taxpayers' Equity		**(10,705)**	**(12,828)**

The financial statements on pages 92 to 108 were approved by the Commission on 27 June 2023 and were signed on its behalf by:

Signed: C. Atkinson

Accounting Officer: Chris Atkinson

Date: 27 June 2023

The notes on pages 98 to 108 form part of these accounts.

Statement of Cash flows

For the Year Ended 31 March 2023

		For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	Note	£	£
Cash flows from operating activities			
Net Operating Expenditure		(333,178)	(333,970)
(Increase)/Decrease in trade and other			
Receivables	**5**	(3,844)	-
Increase/(Decrease) in trade payables	**6**	1,721	994
Net cash outflow from operating activities		**(335,301)**	**(332,976)**
Cash inflow from financing activities			
Amounts from sponsor body		335,301	332,976
Net cash inflow from financing activities		**335,301**	**332,976**
Net increase/(decrease) in cash			
and cash equivalents in the period		-	-

		For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	Note	£	£
Cash and cash equivalents at the beginning of the period			
		-	-
Cash and cash equivalents at the end of the period		-	-

The notes on pages 98 to 108 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the Year Ended 31 March 2023

EQUITY NOTE

	General Reserve	Total Reserves
	£	£
Changes in taxpayers' equity for 2021-22		
Balance at 31 March 2021	**(11,834)**	**(11,834)**
Comprehensive Expenditure for the year	(333,970)	(333,970)
Grant-in-aid from NIO	332,976	332,976
Balance at 31 March 2022	**(12,828)**	**(12,828)**
Changes in taxpayers' equity for 2022-23		
Comprehensive Expenditure for the year	(333,178)	(333,178)
Grant-in-aid from NIO	335,301	335,301
Balance at 31 March 2023	**(10,705)**	**(10,705)**

The notes on pages 98 to 108 form part of these accounts.

NOTES TO THE ACCOUNTS

1. Statement of accounting policies

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

Going concern

The accounts have been prepared pursuant to Article 10 of the International Treaty between the UK Government and the Irish Government, on a going concern basis. The Statement of Financial Position at 31 March 2023 shows net liabilities of £10,705. The Commission will continue to exist until the Treaty obligations are terminated by mutual agreement between the UK Government and the Irish Government. The future financing of the Commission’s liabilities, in relation to the costs of the UK Secretariat and remuneration of three Commissioners, will continue to be met by the Northern Ireland Office in Financial Year 2023-24. The Commission's 2023-24 budget reflects the 2022-2025 spending review settlement, which provides budgetary certain for the going concern period being 12 months from the date of this report. There is also an ongoing commitment to support the work of the Commission until Treaty obligations are terminated – the NIO has given no indication that it intends to pursue this course of action at this point in time, the Tackling Paramilitary Activity, Criminality and Organised Crime Programme has been extended to at least 2024, and the UK and Irish Governments and NI Executive renominated and reappointed the Commissioners for a further three year period in 2022. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the 2022-23 financial statements.

1.1 Accounting convention

These accounts have been prepared for the year commencing 1 April 2022 and ending 31 March 2023 under the historical cost convention. The comparatives stated reflect the financial position for the year ended 31 March 2022.

1.2 Employee Benefits

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme

(PCSPS), the PCSPS (NI), the Civil Service and Others Pension Scheme (CSOPS) and CSOPS (NI). These defined benefit schemes are unfunded. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of the amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the pension schemes.

In line with the FReM's adaptation of IAS 19, the Commission accounts for the PCSPS as if it were a defined contribution scheme

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

1.3 Contingent liabilities

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

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

1.4 Value Added Tax

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

1.5 Staff Costs

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

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

1.6 Critical accounting estimates and key judgements

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Commission's accounting policies. We continually evaluate our estimates, assumptions and judgements based on available information and experience. No critical accounting estimates or judgements have been made in this account.

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

IFRS 16 (Leases) came into effect across government bodies reporting under the FReM from 1 April 2022. IFRS 16 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases.

IFRS 16 – Leases replaces IAS 17 Leases and related interpretations and has an effective date of 1 January 2019. The new standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The new standard was initially due to be applied from 1 April 2021, however due to Covid-19 the implementation of IFRS 16 for bodies applying the Government Financial Reporting Manual was delayed until 1 April 2022.

The adoption of IFRS 16 did not have a material impact on the accounts of the Commission, as the Commission does not hold any leases.

1.8 Impending application of newly issued accounting standards not yet effective

The following standards or interpretations have been issued by the International Accounting Standards Board but have not yet been adopted:

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

1.9 Analysis of net expenditure by segment

In line with the provisions of IFRS 8, Operating Segments, the Commission does not analyse its net expenditure by operating segments as it has concluded that it has no separately identifiable operating segments. This conclusion is based on the current reporting structure.

1.10 Cash and cash equivalents

The IRC does not operate a bank account in its own name. The Commission authorises NIO to make payments from the NIO bank account on behalf of the Commission, through Account NI, the Northern Ireland Civil Service accounting system. These payments must be authorised by the Commission in advance and are treated as funding in the financial statements. Purchasing and payment controls and regular reconciliation of the general ledger accounts provides assurance that only authorised spend is included within the Commission Accounts.

2. Staff costs

	For the Year Ended 31 March 2023			For the Year Ended 31 March 2022
	Total	Commissioners	Permanently Employed and inward seconded staff	Total
	£	£	£	£
Wages and salaries	195,908	52,452	143,456	184,943
Social security costs	19,692	2,617	17,075	17,762
Other pension costs	39,609	-	39,609	39,379
Total Staff Costs	**255,209**	**55,069**	**200,140**	**242,084**

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

3. Other expenditure

	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	£	£
Accommodation and Services	15,745	21,629
Audit & Accountancy - Internal	2,500	2,500
Audit - External	11,040	9,600
Foreign Exchange Rate Losses	859	717
Professional Fees	17,823	31,202
Professional Subscriptions	40	40
Staff Training	1,750	570
Publications	5,421	5,569
Postage and Stationery	796	396
Travel, Subsistence and Hospitality	21,995	19,664
	77,969	**91,886**

4. Financial Instruments

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

5. Trade receivables, financial and other assets

	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	£	£
Amounts falling due within one year:		
Prepayments and Accrued Income	3,844	-
	3,844	**-**

6. Trade payables and other current liabilities

	For the Year Ended 31 March 2023	For the Year Ended 31 March 2022
	£	£
Amounts falling due within one year:		
Accruals and deferred income	14,549	12,828
	14,549	**12,828**

7. Related-party transactions

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

8. Contingent Liabilities

The Commission has no contingent liabilities at 31 March 2023 (31 March 2022 £nil).

9. Events after the reporting period

There were no events after the reporting period requiring disclosure.

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

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978-1-5286-3986-6