



**Independent Commission for
Reconciliation and Information Recovery**

Annual Report and Accounts 2023-24

Independent Commission for Reconciliation and Information Recovery

ANNUAL REPORT AND ACCOUNTS 2023- 24

**For the period 1 December 2023 to 31
March 2024**

Presented to Parliament pursuant to Northern Ireland Troubles
(Legacy and Reconciliation) Act 2023 see Schedule 1 Part 1 (6)(4)

Ordered by the House of Commons and the House of Lords to be printed on 11
December 2024



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ISBN 978-1-5286-5150-9

E03186765 12/24

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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Foreword by Chief Commissioner

This is the Annual Report and Accounts for the Independent Commission for Reconciliation and Information Recovery (ICRIR) for 2023-24. It covers the period from the commencement of the legal provisions establishing the Commission in December 2023 to the end of March 2024 and consequently is the first occasion on which I have had the opportunity to report on the work of the Commission.

The focus of the Commission during this period has been on preparation for the commencement of our operational powers on 1 May 2024. Thanks to the good work of the programme secretariat, the Commissioners were able to meet immediately after legal establishment and agree the values of the Commission and the principles which should guide its work. Those matters formed some of the early entries on our website in order to promote public understanding of our approach.

We pursued a recruitment campaign to deliver on our approach and to ensure our readiness for commencement of our powers. We were fortunate in securing people of real talent and ability who want to play their part in addressing the legacy of the past through information recovery. With a view to explaining how we will achieve that, we have engaged extensively including publishing, for consultation, operational policy documents setting out in detail how the Commission will discharge its functions.

One of the areas that has required careful examination is the need to recognise the history of trauma to which many of those coming to the Commission will have been exposed. As a result of our consultation exercises, we have developed a trauma and resilience informed model which has been successfully implemented in the United States and Canada. We have also identified expert consultants for emotional support and engaged with the Regional Trauma Network.

We have, of course, conducted a consultation on our Equality Scheme for review by the Equality Commission for Northern Ireland in accordance with the requirements of the Northern Ireland Act 1998. That is designed to implement our commitment to diversity and inclusion and is supported by our Disability Action Plan. This is all consistent with our ethos as a rights-based organization.

Thanks to the commitment shown by the team during the reporting period the Commission successfully commenced its operational powers on 1 May 2024. For those who have expressed interest in recovering information through the Commission the first stage is engagement with the allocated Case Support Team member who will guide the requesting individual through the Commission, starting with consideration of what the Commission can do for the applicant. That will lead into engagement with the information recovery team and a scoping exercise informed by the available materials. As the investigation develops the findings team will become involved leading to the preparation of a draft report for consultation with the requesting individual. The particular circumstances of each case will, of course, require consideration of how the investigation may be conducted.

While the work of the Commission in this reporting period has been focused on setting up the processes for good governance, respect for equality, diversity and inclusion and effective systems of information recovery, it must not be forgotten that the statutory

objective of the Commission is to promote reconciliation and that remains its principal mission.

Sir Declan Morgan

Chief Commissioner

Chief Executive Officer's Introduction

Establishing a new, independent public authority without merging or transferring any existing parts of organisations, while also developing a new policy and delivery framework, is a significant task. This was the mission of the Commission's first Chief Executive, Tristan Pedelty, whom I succeeded in September 2024. The task was made all the more complex due to the stakeholder and public response to the enabling legislation that was introduced by the Government as well as the Act specifying a 1 May 2024 date for existing criminal justice processes to cease. This created an imperative for the independent Commission to be capable of exercising its powers from that date.

The preparatory work undertaken by the programme secretariat, under Sir Declan's direction and the expertise and dedication of the initial team in the Commission has meant that we have achieved this task. The Board of Commissioners, senior team and wider staff members all contributed considerably to this project and remain focused on our wider purpose of promoting reconciliation.

Owing to the timetable required for establishment, and reflecting learning from experience of setting up a range of other independent public bodies, the Commission focused on embedding good governance from the start, getting the basics right that underpin the accountable and responsible operation of all public authorities, and setting out for feedback and consultation proposals for how it will carry out its information recovery work. This supported our ability to begin significant recruitment of operational staff to deliver the Commission's Operational Design Framework set by the Board.

The impact of the activities carried out in the limited reporting period mainly falls outside of that time scale and is reflected instead in the current position of the Commission's development.

While the initial programme of work to establish the Commission has recently completed much work remains. A stable baseline against which the Commission can focus on delivering what it has promised, in the way it has promised to do so, is essential. This will take time. And it can only be achieved through diverse, well-trained and motivated staff. This requires: effective training and leadership; a one-team culture across the Commission with a culture of mutual respect; a strong focus on keeping information we are given – personal data, victims' accounts, sensitive material – safe and secure so that we can be trusted; fair and open recruitment with a focus on a diverse range of backgrounds and experiences being brought into our staff; and accountability and rigour regarding the spending of public money. And while the Operational Design Framework set by the Board, publicly consulted on, and considered by the courts is the starting point, the Commission must embrace a culture of continuous improvement based on evidence and feedback so that it delivers for those who come to the Commission.

I want to acknowledge the work of my predecessor, Tristan Pedelty, for putting all the above in place. I am confident that I have strong foundations on which to build in leading the Commission through the next stage of its journey in delivering on our

commitments. I am grateful for the Chief Commissioner's wise counsel and commitment to public service, as well as the support and engagement of my fellow Commissioners and the dedication of all who have worked so diligently to establish the Commission to serve victims, survivors and families.

Louise Warde Hunter

Commissioner and Chief Executive Officer

PERFORMANCE REPORT

The Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 establishing the Independent Commission for Reconciliation and Information Recovery as an independent statutory organisation came into force on 1 December 2023. The Board of Commissioners to lead this independent organisation was appointed on 14 December and held their first Board meeting on that date. The Commission has been administratively classified as a Non-Departmental Public Body.

This Annual Report and Accounts covers the four months from 1 December 2023 to 31 March 2024 (“the reporting period”). During this time the Commission was undertaking intense work so that it would be able to exercise its statutory powers to carry out investigations from 1 May 2024. It does not cover when the Commission was operational from 1 May. The performance of the Commission from 1 May can be found in the Accountability Update, which was published on 9 September. This document can be found in full on the Commission’s website, [here](#).

The Commission prepares its annual report and accounts in accordance with HM Treasury's Financial Reporting Manual (FReM). As this is the Commission’s first reporting period and its operations commenced on 1 May 2024 the presentational guidelines of the FReM have not been fully followed. A separate performance overview and performance analysis have not been presented and there were no key performance metrics before the operational phase.

During the reporting period, the Commission’s work was focused on establishing and preparing the foundations on which the Commission would carry out its important work as set out in its statutory functions. The interlocking areas of work were to:

- Put in place good governance, corporate systems, values and core principles to support development of the Commission’s work - **Enablers**;
- Carry out a range of engagements to explain the Commission’s approach and obtain insight and feedback to incorporate into design - **Outreach**;
- Develop a Design Framework to set out how the Commission will carry out its investigations – **Policy Development**; and
- Put in place the capability required to carry out the Commission’s work through recruiting and training talented people, obtaining bespoke estate and installing ICT – **Operational Capability**.

Enablers

The establishment of the Commissioner’s key principles, adoption of a Code of Conduct and setting the Commission’s vision, mission, and values were all important in setting the tone across the new organisation for how we go about our tasks.

Vision: A society that is more reconciled because the Commission has provided greater information to the public about deaths and serious injuries during the Troubles/Conflict.

Mission: An independent Commission committed to serving victims, families and survivors by thoroughly investigating and establishing the facts of past events, to

provide an acknowledgement of the wrongdoing, in a way that is sensitive to the trauma experienced and assists with the promotion of reconciliation.

Values: The Commission's [code of conduct](#) was published in December 2023 and sets out the values the whole Commission has adopted to guide its work – integrity, impartiality, openness, accountability and respect. They are the standards of behaviour that can be expected of Commissioners, officers and others working on behalf of the Commission.

At the first Board meeting in December 2023, the Commissioners, in addition to the principal objective of promoting reconciliation, committed to applying three essential principles to the Commission's work:

- Compliance with the European Convention on Human Rights (ECHR);
- Respect for the principles of the 1998 Belfast Good Friday Agreement; and
- Focus on providing useful information to those affected by the Troubles/Conflicts.

As set out in the Governance statement (page 17), the Board and its main committee, the Executive Committee, began to meet regularly to form as teams and build a common understanding of the shared vision for the organisation. Corporate policies, such as for declaration and management of outside interests, investigation of complaints, and oversight of the use of police powers were adopted. The Board also heard regularly from outside speakers on aspects of the Commission's work.

The core functions that support the operation of any public authority were put in place, finance, procurement, data and information management, and HR teams were developed so that other activities in support of developing the investigative operations of the Commission were undertaken in line with good practice and relevant functional expertise. This was a key learning from set up of other new organisations, where the lack of such expertise hampered the organisation's ability to set up in a way that ensured adherence to high standards of probity and value for money. Those functions put in place procurement, recruitment and financial management processes to support those coming into the Commission to behave responsibly with public funding and with information and data.

Outreach

From the outset, the Commission has been committed to listening to and learning from a broad spectrum of perspectives and experiences. We have made specific efforts to engage with the victim and survivor community, holding meetings with many of the organisations established to support individuals impacted by the Troubles/Conflict and engaging regularly with the Commission for Victims and Survivors.

During policy development the Commission has published draft thinking and early design work on its website and emailed to stakeholders, inviting feedback and comments from the public and stakeholders. Surveys and polling have been undertaken by the Commission with the results published on the website and drawn on in policy development. In addition, the Commission has launched a number of public consultations in this period and undertaken a range of activities to encourage

participation. The Chief Commissioner, Sir Declan Morgan and Commissioner for Investigations, Peter Sheridan carried out interviews across a range of topics all aimed at increasing awareness of the Commission.

The Commission has attended and presented at events to which it has been invited, taking opportunities to outline emerging plans openly and listen to feedback. The Commission has also engaged stakeholders directly to address and discuss concerns around aspects of the Commission such as ensuring ECHR compliance, how the Commission can demonstrate independence and the provision of support for victims, survivors, and families. The open and honest dialogue that the Commission has benefited from has contributed significantly to the approach the Commission has taken.

The Commission has also engaged with delegations, parliamentarians and permanent officials at the Council for Europe. These conversations have been important in presenting proposals and gathering feedback on specific issues around ECHR compliance and how the Commission is approaching Human Rights concerns. The Commission recognises the contested nature of the legislation that has established the Commission and accept the necessity of consideration of that legislation by the Courts to confirm its validity. The recent appeal court judgement (September 2024) in the case of Dillon et al showed that the court recognised that the Commission has extensive powers in gathering information but needs additional powers in respect of disclosure of some of that information. It also determined that an accessible and foreseeable structure should be put in place for the participation of victims, survivors and families for some of our cases. As Sir Declan Morgan set out in response, it is a matter for the Secretary of State to respond to the judgment. The Commission has already welcomed his proposal to further enhance our independence and would welcome additional steps by him to address the issues identified by the court.

Operational stakeholders who were undertaking legacy work, including PPSNI, PSNI, the Coroners' Office, the Police Ombudsman and others have been regularly engaged with to ensure a joined-up approach to the transitional arrangements involved in transferring powers and duties and the impact this may have on victims, survivors and families. Other operational stakeholders with whom the independent Commission will interact as part of the new system, have also been engaged with in a bilateral or group way to discuss the Commission's approach and how it will be operating its statutory powers.

Policy Development

The Commission developed and consulted on a range of policies that would underpin its work. During the early stages of policy development, the Commission shared early thinking (publicly and directly) with stakeholders, encouraging feedback and input. We also sought contributions and feedback through stakeholder engagement meetings and presented regularly to the Commission for Victims and Survivors Forum.

In January 2024 we commissioned an independent research company to carry out focus groups across Northern Ireland and Great Britain. These sessions provided us

with diverse and cross community input and thoughts on key experiential aspects of the Commission's process such as how the Commission can best communicate and support individuals through the journey.

In February 2024 the High Court in Belfast delivered its judgment in the judicial review of the UK Government's Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. The judgment set out a number of observations on proposed Commission policies that had been before the Court. The Court held "Whilst the court is not dealing with a "specific case" it concludes that the proposed statutory arrangements, taken together with the policy documents published by the Commission inject the necessary and structural independence into the ICIR. The court concluded that the ICIR is "sufficiently independent to comply with the requirement for independence to meet the procedural obligations under articles 2/3 ECHR." (para 284). It also noted that "If these policies [set out by the Commission] are adopted and implemented, the ICIR will be seen to do all that it can to ensure transparency and victim participation". "It is apparent from the policy documents that the public consultation process is ongoing. It is open to all next of kin and, indeed, these applicants to engage with the ICIR so that they can have a direct input to the design of the scheme and how reviews are conducted." (paras 356 and 357)". The Commission studied the full judgement carefully to inform its further policy development. Similarly, the Commission has carefully studied the outcome of the recent appeal court judgement (September 2024) in the case of Dillon et al.

In February and March 2024, the Commission launched public consultations on the Trauma Informed Approach (later updated to be the Trauma Informed and Resiliency Model in light of initial feedback and further stakeholder engagement); the Disability Action Plan; the Equality Scheme; and, most importantly the Consultation on Operational Design. This Operational Design Framework brought together a number of papers and areas where the Commission had previously set out ideas, and articulated its proposed end-to-end approach for how the Commission would deliver its statutory functions of information recovery from the point before a request is made up to the findings being published. The Consultation asked for public input on specific questions to help inform the Commission's approach in key areas, and also asked for wider feedback on all proposals and the approach proposed. We have now responded to these consultations, including on the Operational Design Framework and have included details of how consultees comments were taken on board in the consultation response document.

Operational capability

Ensuring that the Commission has premises that support it to carry out its work in an efficient and effective manner is essential. During this reporting period from 1st December 2023 to 31 March 2024, work was undertaken to identify and select sites for the Commission's Headquarters, where public engagement and an appropriate setting for meetings with victims, survivors and families could take place; as well as two operational sites for investigators in Northern Ireland and in Great Britain. Construction was substantially underway in relation to the Northern Ireland operational site and the lease was signed for the Northern Ireland headquarters site. In Great Britain, sites in London were identified and work was underway to ensure

sufficient capacity. ICT providers were identified and specialist software to support investigative work was in the process of procurement, with further software and access to police and other law enforcement agency systems being designed. At this time, all sites and specialist software are currently progressing in line with plans.

Skilled and trained people are essential for the Commission to deliver its objectives. As the Commission can only investigate where individuals or certain public office holders make a request, the investigative workload of the Commission is inherently hard to predict, and therefore to provide staffing to match is challenging. As such, in this set up period to 31 March 2024, one challenging aspect was assessing the staffing needed for investigative activities in the Commission's early months. Too many and there would be an excess of capacity and, too few, then the Commission may not be able to begin delivering against its Operational Design Framework.

The Commission began developing a staffing model to begin to manage these aspects. There would need to be flexibility around investigative resource within the organisation. A structure which includes a matrix management element enables individual staff to be assigned to a number of investigations and ensures optimisation of capacity and skill sets across the organisation. As we progress in line with our requesting individuals' pace through their cases, we will have the opportunity to learn and adapt to what works and what does not work about the staffing model.

Reflecting the complexity of the work and anticipated lag in our understanding of specific requirements for a broad spectrum of investigations, recruitment activities were designed so they could be improved and re-used for future waves of recruitment. Planning was undertaken that envisaged regular recruitment rounds to build a list of qualified and skilled investigators who can be taken on where the Commission has turn over to manage new, or additional, cases. The use of fixed term appointments as part of the workforce mix is also important so that if there are fewer investigations the Commission can correspondingly adjust its workforce. This recruitment strategy is currently being progressed.

Work was also undertaken to understand the requirements of onboarding processes, including rigorous assessment of the declarations of outside interests to identify and decide an appropriate way of dealing with any actual, perceived, or potential conflicts of interest; understanding vetting requirements and timelines; and ensuring that some training and induction could also be undertaken in this time period.

The diversity of the workforce is also a key consideration. As a new organisation, there is an opportunity to build an inclusive and diverse workplace from the very beginning. Role criteria were scrutinised to ensure that they were not unduly restrictive. Recruitment panels are required to have at least gender diversity as well as a panel member from outside the area of the organisation recruiting. As many of the workforces where investigative skills are readily available have certain diversity imbalances, as the Commission grows it must carefully monitor and act in its recruitments to build a more balanced workforce.

Following recruitments by the Commissioner for Investigations for three Assistant Commissioners to support him (each with different responsibilities), in early February recruitment was launched for the first operational roles of Senior Investigative

Officers and Case Support Workers. This was followed by further recruitments for Investigative Officers and other roles to support investigations, such as establishing a Major Incident Room to manage the flow of information about investigations into the Commission. In total these initial recruitments aimed to build an investigative staff of around 70, not including the Findings Team to support the Chief Commissioner in producing reports. The Commission continues to grow its investigation teams in line with plans.

Training and induction was also prioritised as key to bringing staff into the Commission and reflecting its bespoke approach. Early training in understanding trauma and the Commission's development of a trauma and resiliency informed model for all staff in post was undertaken. In addition to in-house development, a relationship was built with the College of Policing to develop bespoke training packages for investigative staff in the Commission to ensure adherence to the Commission's Design Framework and operational policies. Information management, data protection, and equalities training was also undertaken in this period to March, ensuring understanding of all staff in their responsibilities to manage and protect information, disability awareness and the Section 75 equalities duties.

Owing to the recruitment timelines, many of the recruitment competitions and staff identified through them joined the Commission outside of the reporting period. In addition, future recruitment exercises were planned which began once the Commission had started its operational work and began to better understand the number of people coming to the Commission who may request an investigation. In light of this recruitment for further posts, including a Findings Team is underway. These posts are in various of stages of being filled, with many jobs offered to candidates who are now working out notice periods or obtaining the right level of vetting so that victims, survivors and families who come to the Commission can be confident in the integrity and probity of those who are investigating and making findings in the case. As at 31 March 2024, the Commission employed 47 members of staff.

The Commission believes that diversity in its workforce will lead to better support for those who come to it, better investigative and findings work and improved overall decision-making. Therefore, it considers it important to report regularly on its overall staff composition. This was covered in depth, including staff composition data on gender, ethnicity and disability, in the Accountability Update which was published on 9th September 2024. This document can be found in full on the Commission's website, [here](#).

Independence

As we made clear in the recent Accountability Update, the independence of the Commission from all other bodies, be that the UK Government, the Northern Ireland Executive, the PSNI or any other groups, is vital so that it can investigate without fear or favour, treating all those who come to the Commission to request an investigation fairly and equally. This is not to say that the Commission cannot or should not have professional relationships with a range of bodies, including some

who it may in individual cases be investigating, whether that be the PSNI or UK Government bodies. However, such interactions should be against an open framework and be clearly understood. The Commission also has to be accountable for its stewardship of public funding, ultimately to Parliament. The Commission has therefore set out its governance arrangements, including the Framework Document with the Northern Ireland Office. Unless there are good reasons not to, it will also set out any formal arrangements that it reaches with other organisations, such as any Information Disclosure Protocols entered into under its powers in its founding legislation.

The Commission will set out an annual assessment in relation to each reporting period of its consideration of the level of independence it has, reflecting that this can be a dynamic situation and has a number of elements across funding, legal powers, behaviours, information provision and such like. Changes in any one aspect may not necessarily affect independence but overtime the overall position may change. The Commission's ability to publicly raise concerns, and to bring legal challenges is important in it being able to challenge any real or perceived erosion of its independence and to call for changes where it considers that independence should be strengthened.

In the reporting period as the Commission was being established, the Commission did not consider there to be any challenges to its independence. The governance framework and funding mechanisms set out at that stage gave it early confidence that it was able to act independently. And the High Court's findings in February (above at page 10) gave external assurance. However, the Commission recognised that there could be greater risks at the point that the Commission became operational and that the situation may change over time. One action it took to recognise this was to stipulate to the Northern Ireland Office that it considered that were any statutory guidance proposed to be issued to the Commission pursuant to the Secretary of State's powers to give guidance about how the Commission discharged its duties under Section 4(1) of its founding legislation, that this should be subject to a full public consultation.

As covered on page 10 above, the High Court's judgment confirms that the Commission is independent and is capable of carrying out investigations which are compliant with the European Convention on Human Rights. The Commission is therefore properly and lawfully established and should be treated as such by other public authorities.

During the reporting period, risk management processes were being established, and these are further explained in the Risk Management section of the Governance Statement.

Sustainability Reporting

The Commission is exempt from sustainability reporting for this period as it is below the de minimis thresholds as defined in section 1.45 of the [Sustainability Reporting Guidance 2023-24](#). Specifically, the Commission occupied less than a total of 500m² of floor area and had fewer than 50 FTE staff.

The Commission is committed to making our estate and operations low impact on the environment and more sustainable and, where possible, we support the delivery of the UK Government's Greening Government Commitments (GCCs). The Commission encourages the efficient use of resources.

Financial Review

This is the first period of accounts for the commission having been legally formed on 1 December 2023. The Commission has, via its sponsor department the Northern Ireland Office (NIO), Parliamentary approval for its 2024-25 budget. The then Secretary of State for Northern Ireland wrote to the Commission, on foundation, setting out its funding mechanism, including the use of Annually Managed Expenditure to fund investigative work undertaken by the Commission.

<https://icrir.independent-inquiry.uk/document/icrir-funding-letter/>

The Framework Document requires a three-year business plan to be developed and this will be provided to HMT to provide a longer-term funding guide, revising the profile that HMT accepted in approving the Final Business Case.

Going concern

The Commission prepares financial statements in accordance with the FReM, which has adapted going concern for non-trading entities to be based on the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents.

The Commission's budget for 2024-25 has been included within the Main Estimate of the Northern Ireland Office.

The Secretary of State has the power under section 2(11) of the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 to make payments to the Commission. The Northern Ireland Office has sent a letter to the Commission that confirms the provision of financial support to assist the Commission in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Commission to meet such liabilities. The letter confirms that such support is provided to the Commission until 31 December 2025.

On this basis the accounting officer has concluded that it is appropriate to prepare the financial statements on a going concern basis and does not consider there are any material uncertainties around the Commission's going concern status for a period of at least twelve months from when the financial statements are authorised for issue.

Financial results

During the period the Commission drew down £1.533m in Grant in Aid. The total expenditure brought to account within the Statements of Comprehensive Net expenditure was £2.214m.

Staff costs amounted to £1.429m of the total expenditure, this relates to staff employed, loaned or seconded from elsewhere by the Commission, the total number of which increased over the period to 47 by 31 March 2024.

No pension liability is recognised in the accounts because ICRIR staff were admitted to the NILGOSC scheme from 1 April 2024. Staff on loan or secondment are recharged to the Commission gross of all their staff costs including their home entity's own pension scheme costs.

Other expenditure was £0.785m, the majority being professional fees for legal advice and project management pertaining to establishment. Within other expenditure was £0.065m relating to the external auditor's remuneration and expenses.

The Statement of Financial Position shows net liabilities of £0.681m which reflects the expenditure brought to accounts, but not yet drawn down as cash from the Northern Ireland Office. This results from a staff accrual of £0.433m for staff on loan or secondment for whom invoices were received post period-end, plus an accrual for all staff's holiday leave at the period-end. Accruals for other expenditure relate to professional fees and consultancy invoiced post period-end.

Non-current assets consist of a leasehold premises in Belfast. The lease is shown as a ten-year finance lease in accordance with IFRS16 and shown in notes 4 and 5 to the accounts; including fit out costs, the total capitalised is £1.338m. The site was not brought into use by the accounting date and hence no depreciation has been charged.

Another site in Northern Ireland is a ten-year lease at nil rental charges entered into after the reporting period date and hence does not feature in the lease note but is disclosed as a capital commitment in note 10 to the accounts.

A third site is in London, but this has not been capitalised as the lease term is less than twelve months, the rental costs are shown as expenditure. A separate site in London is expected to have a lease signed in late 2024.

Within trade and other payables are capital accruals relating to the fit-outs of the leasehold premises described above.

Louise Warde Hunter
Accounting Officer
4 December 2024

ACCOUNTABILITY REPORT

Corporate Governance Report

The Commission has not included a separate Directors' report as all required content is already disclosed within the Governance Statement.

Statement of Accounting Officer's Responsibilities

Under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 ("the Legacy Act"), the Commission has prepared accounts for the financial period ended 31 March 2024 in respect of the monies provided by the UK government in the form and on the basis set out in the Accounts Direction issued by the NIO and which the HM Treasury has approved.

The Commission shall prepare accounts for the financial period ended 31 March 2024 and subsequent financial years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ("the FReM") which is in force for the financial period for which the accounts are being prepared, in line with the Accounts Direction referred to above.

The accounts are prepared on an accruals basis and must

- a) give a true and fair view of the state of affairs of the Commission as 31 March 2024 and subsequent financial year-ends, and of the income and expenditure (or, as appropriate, net resource outturn), changes in Taxpayer's Equity and cash flows for the financial year; and
- b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities that govern them.

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

- Observe the Accounts Direction issued by the NIO, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the 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 judgments required for determining that it is fair, balanced and understandable.

The Principal Accounting Officer at the Northern Ireland Office, with the consent of the Treasury, has appointed the Chief Executive Officer 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.

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.

Governance Statement

Introduction

The Accounting Officer (AO) is responsible for maintaining a system of internal control that supports the exercise of the Commission's functions, while safeguarding public funds and organisational assets. This is in accordance with the responsibilities assigned in the HM Treasury publication Managing Public Money.

This governance statement describes how these duties have been carried out by the Accounting Officer, and the supporting structure in place during the period.

External governance – relationship with sponsoring Department

The Independent Commission for Reconciliation and Information Recovery was established under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 as a statutory corporation and administratively classified as a non-departmental public body (NDPB).

The Framework Document, agreed on 14 December 2023 and signed on 31 January 2024, sets out the broad governance framework within which the Commission and the Northern Ireland Office (NIO) operate. Several changes were made to the standard template to reflect the greater independence required by the Commission. Exemptions were given for a number of Cabinet Office controls and a bespoke process for Accounting Officer directions was set out.

The Document describes the roles of the Commission, the NIO as sponsoring department, and other parties, and sets out how the day-to-day relationship works in relation to governance and financial matters.

It outlines the specific responsibilities of the Chief Executive Officer in the role of Accounting Officer, including AO responsibilities to Parliament, to the NIO and to the Commission itself. The Document also addresses the responsibilities of all Commissioners, including the Chief Commissioner, the Commissioner for Investigations and the Non-Executive Commissioners.

The Document identifies the Secretary of State for Northern Ireland as the Minister with responsibility to Parliament, including underlining the responsibility of the Secretary of State to uphold the operational independence of the Commission. It identifies the Permanent Secretary at the Northern Ireland Office as the Principal Accounting Officer and outlines specific responsibilities of that postholder in relation to the Commission.

The Document details the delegated authorities, and articulates the requirements around banking and cash management, procurement, counter fraud and theft and risk management. The Document can be found in full on the Commission's website, [here](#).

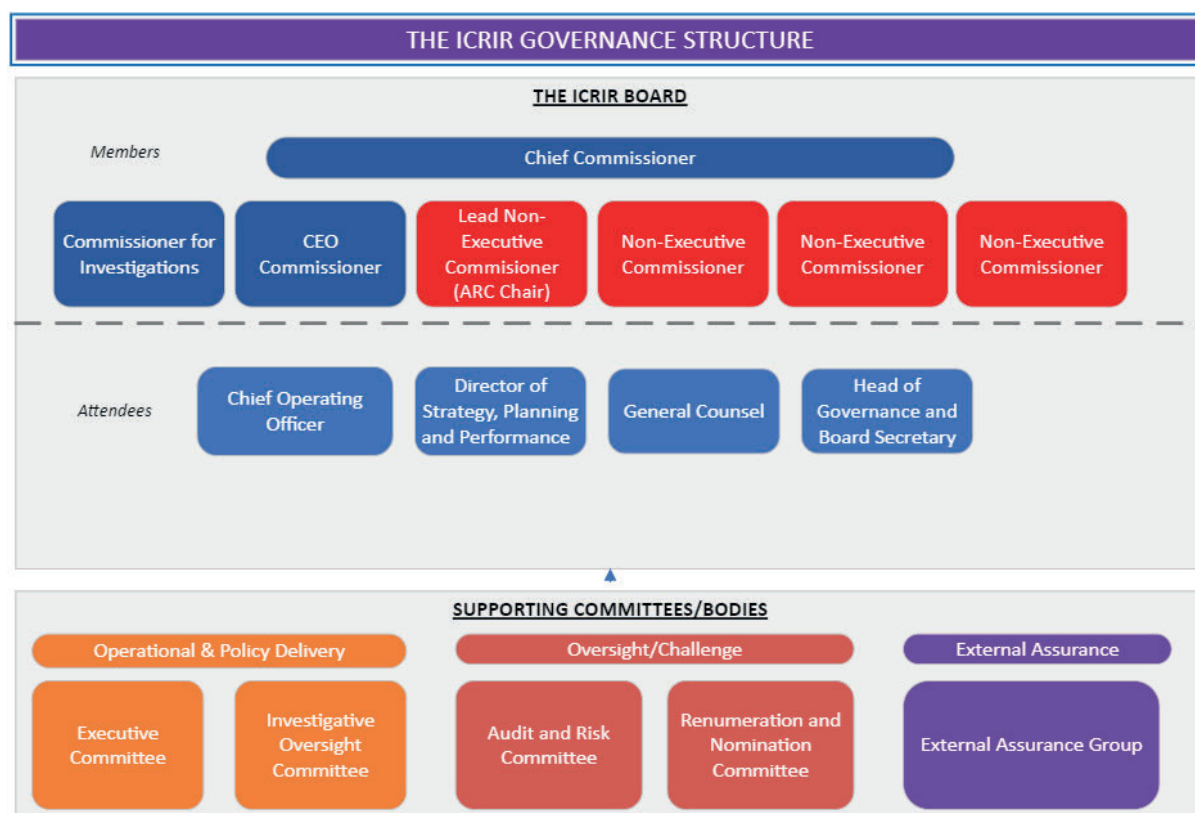
The Internal Governance Framework

Prior to legal establishment, a draft governance framework for the Commission was produced and published on the Commission's website, inviting feedback from

interested groups and members of the public. The draft framework was designed to comply with HM Treasury’s Code of Good Practice for Corporate Governance, as is appropriate for an independent non-departmental public body. No specific departures from those requirements have been identified, in relation to the reporting period. However, with governance structures maturing, the Commission will be assessing its governance arrangements and will report on the maturity of these in the next Annual Report and Accounts, including explanations where any departure from the Code of Good Practice for Corporate Governance is identified.

The framework, amended in line with some of the feedback received, was adopted by the Board of Commissioners at their first meeting on 14 December 2023. The framework includes the Board Standing Orders and the Terms of Reference for Committees of the Board and an external, advisory group. The Board has also adopted a Code of Conduct for all Commissioners and officers. This is drawn from other similar Codes of Conduct and the Seven Principles of Standards in Public Life and is available [here](#).

Board and Committee structure



a. The Board

i. Board role/purpose

The Board is the legal authority of the Commission. It has collective responsibility for setting the strategic direction of the Commission to enable it to deliver its functions as set out in the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023.

The Board has established four Committees to support delivery of its functions. The four Committees (Executive Committee (ExCo), Investigative Oversight Committee (IOC), Audit and Risk Committee (ARC), and Remuneration and Nomination Committee (REMC)) are Committees of the Board, with functions delegated by the Board and set out in their respective terms of reference. Selected Board members act as Chair or Member of each Committee. In addition, the Board has appointed an external advisory group to provide external expert advice. The External Assurance Group comprises external members appointed through co-option and open competition. This Group supports the Board through the provision of expert scrutiny of and advice on the Commission's operational policies and systems.

ii. Board composition

The provisions regarding the appointment of Commissioners to the Commission are set out in Schedule 1 of the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. The power to appoint Commissioners is held by the Secretary of State, however the process to select such Commissioners and recommend their appointment has been developed to provide an independent recommendation. These processes are set out in the Framework Document.

The Chief Commissioner was nominated by the four senior judges across the United Kingdom – the President of the Supreme Court, and the Chief Justices of Northern Ireland, England & Wales and Scotland against objective criteria for the role. That nomination was accepted by the then Secretary of State and Sir Declan Morgan was announced as the first Chief Commissioner, subject to completion of the legislation in May 2023.

The post of Commissioner for Investigations was publicly advertised with objective criteria on 11 May 2023. An independent selection panel was formed, consisting of Sir Declan Morgan, Chief Commissioner-designate; Wendy Williams, Inspector of Constabulary; Robert Beckley, Assistant Commissioner at Metropolitan Police Service; and Dr David Porter, formerly Chief of Staff to the Archbishop of Canterbury. The recruitment process followed good practice with the panel objectively assessing candidates through a number of exercises. An executive search firm supported the competition to develop as wide a field of candidates as possible and support fair and objective selection practices. The panel recommended the appointment of Peter Sheridan and his identification as the first Commissioner for Investigations was announced on 14 September.

Four Non-Executive Commissioner roles were advertised on 24 July. These competitions were carried out under the regulation of the UK Commissioner for Public Appointments. The Chief Commissioner-designate nominated a selection panel and the panel interviewed short-listed candidates before providing a recommendation that Lindsay Todd, Kathleen Russ, Rogelio Alonso and Brice Dickson be appointed as Commissioners.

The Chief Commissioner-designate, in consultation with the Non-Executive Commissioners-designate who would form the Remuneration and Nomination Committee on legal establishment, recommended the appointment of Tristan Pedelty

as the Commission's first Chief Executive Officer and Commissioner. In parallel, they also began a fair and open competition for the appointment of the next Chief Executive Officer.

Independent members of the Audit and Risk Committee and Remuneration and Nomination Committee were appointed by the ICRIR Board.

All Board members were formally appointed by the Secretary of State on 14 December 2023.

In this period the Board comprised:

- Chief Commissioner: Sir Declan Morgan (Chair), appointed for a five-year term commencing 14 December 2023;
- Commissioner for Investigations: Peter Sheridan, appointed for a five-year term commencing 14 December 2023;
- Chief Executive Officer: Tristan Pedelty, appointed on 14 December 2023 for a six-month term (the term was subsequently extended until 7 September 2024, on that date the Chief Executive Officer and Accounting Officer roles were handed over to Louise Warde Hunter);
- Four Non-Executive Commissioners;
- Lead Non-Executive Commissioner and Chair of the Audit and Risk Committee: Lindsay Todd, appointed on 14 December 2023 for a four-year term;
- Non-Executive Commissioner: Kathleen Russ, appointed on 14 December 2023 for a four-year term;
- Non-Executive Commissioner: Rogelio Alonso, appointed on 14 December 2023 for a three-year term; and
- Non-Executive Commissioner: Brice Dickson, appointed on 14 December 2023 for a three-year term.

iii. Board meetings in period and attendance

The Board held six meetings in the period from 14 December 2023 to 31 March 2024. A summary of each Board meeting is published on [the Commission's website](#). In advance of appointment on 14 December, those who had been selected to be appointed as Commissioners met a number of times in order to be inducted into the work and prepare for the first Board meeting.

In addition to the statutory principal objective to promote reconciliation and the Commission's commitment to embed a trauma and resiliency informed approach across its work, the Board agreed on three essential principles:

- Compliance with the European Convention on Human Rights;
- Respect for the principles of the 1998 Belfast (Good Friday) Agreement; and,

- Focus on providing useful information to those affected by the Troubles/Conflict.

The focus of the Board in this period was to ensure that the Commission was prepared to begin operating its legal powers to carry out investigations from 1 May 2024. The Board established objectives in this period; set the vision, mission and values; agreed a Code of Conduct and other relevant corporate policies; as well as delegating to the Executive Committee responsibility for adopting and implementing a wider range of corporate and organisational policies. The Board agreed the strategic design and elements for the Commission's Operational Design Framework.

The Board engaged an independent Board evaluation consultant to facilitate a session on the roles of Board members, and on setting objectives, particularly in the context of a newly forming organisation and with the early focus on preparing for the commencement of operations. The session supported the setting of agreed objectives for the Board which underpinned the areas of focus for the Board agendas in the reporting period.

The Board was satisfied with the overall quality of data and information provided in the reporting period, recognising the rapid organisational growth and focus on operational readiness at that time. The approach to reporting on performance and risk has developed and matured under the direction of the Director of Strategy, Planning and Performance following the conclusion of the period.

Attendance at the Board by members is included in the table below.

Name	Role	Meetings Attended
Sir Declan Morgan	Chair	6/6
Peter Sheridan	Executive Member	6/6
Tristan Pedelty	Executive Member	6/6
Lindsay Todd	Non-Executive Member	6/6
Kathleen Russ	Non-Executive Member	6/6
Rogelio Alonso	Non-Executive Member	5/6
Brice Dickson	Non-Executive Member	6/6

The appointment of the new Chief Executive Officer, Louise Warde Hunter, occurred outside the reporting period. The outgoing Chief Executive Officer provided a detailed handover prior to his departure from the organisation; his overall assessment was that compared to comparative bodies at the same stage of start-up, there was substantial coverage of corporate policies, training, systems and corporate staff in place.

The outgoing Chief Executive Officer also attended the September 2024 Board meeting, at which he formally detailed his assurances in relation to the governance and performance sections of the present Annual Report and Accounts.

b. Board Committees - operational and policy delivery

i. Executive Committee (ExCo)

o ExCo role/purpose

The Board established an Executive Committee (ExCo) to undertake day-to-day management of the organisation, chaired by the Chief Executive Officer. The Board delegated decision-making to deliver the strategy set by the Board to the Executive Committee. This provides a forum for senior executive decision-making, assurance, scrutiny and challenge of recommendations and information provided to the Board and to provide leadership for the business of the Commission. Its membership ensure that each area of the Commission's functions is represented in the decision-making process, reflecting the need for all areas of strategy, resourcing, governance, operational delivery and legal advice to be taken into account fully so that decisions are made properly and in the public interest. As the Commissioner with statutory responsibility for the operational control of individual investigations, the Commissioner for Investigations represents the interests of his Case Support and Information Recovery Teams. The Chief Commissioner is not a member of the Executive Committee, but the interests of the teams who support his statutory role making findings and producing reports based on the investigation work, are represented by the Chief Executive Officer who has line management (but does not oversee the substance of the work) of the Head of Findings Team.

The Executive Committee focuses on strategic leadership, management and direction, ensuring the most effective prioritisation of resources, management of risk and delivery of the strategy as set by the Board. It is not involved in operational decision-making for the conduct of individual cases. It considers recommendations to the Board as necessary.

ExCo is the overall decision-making body for organisational performance and delivery, under delegated authority from the Board. Its terms of reference are available on the Commission's [website](#).

o ExCo composition

Four of the six ExCo members were in post for the entirety of the reporting period with one further member joining on 1 January 2024. The final ExCo member joined the Commission after the reporting period.

ExCo members during the period were¹:

- CEO and Commissioner, Tristan Pedelty

¹ The Director of Strategy, Planning and Performance is also a member of ExCo, but this role was not filled until after the period; it was filled by Alison Beckett on 20 May 2024.

- Commissioner for Investigations, Peter Sheridan
- Chief Operating Officer, Kieran Rix
- Head of Governance and Board Secretary, Nikki Bodel
- General Counsel, Steven Bramley (joined 1 January 2024)
- ExCo Meetings in period

ExCo met regularly throughout the reporting period to support the pace of development of the Commission's policies and procedures and ensure readiness for commencement of operations.

Attendance at the Executive Committee by members is included in the table below.

Name	Role	Meetings Attended
Tristan Pedelty	CEO and Chair	3/3
Peter Sheridan	Commissioner For Investigations	3/3
Nikki Bodel	Head of Governance and Board Secretary	3/3
Steven Bramley	General Counsel	2/3
Kieran Rix	Chief Operating Officer	3/3

ii. Investigative Oversight Committee (IOC)

- IOC role/purpose

The Investigative Oversight Committee has been established as a Committee of the Board to monitor active investigations to ensure they are carried out in line with the requirements of the legislation and the Commission's adopted policies and procedures. Its terms of reference are available on the Commission's [website](#).

- IOC composition

The IOC comprises the Commissioner for Investigations, who chairs the Committee, the Chief Operating Officer and General Counsel. The Assistant Commissioners for Investigations are standing attendees. The Chair may invite any other officer of the Commission to attend the Committee for all or some items.

- IOC meetings in period

The first meeting of the IOC was held outside the period on 17 April 2024.

c. Board Committees - oversight and challenge

i. Audit and Risk Committee (ARC)

- ARC role/purpose

The ARC operates independently under delegated authority of the Board. The Committee's role is to support the Board and Accounting Officer in discharging their responsibilities for issues of risk, control and governance. The Committee supports the Board and the Accounting Officer in these responsibilities by reviewing the comprehensiveness of assurances and assessing the reliability and integrity of these assurances. In undertaking this role the Committee adheres to the principles set out in the HMT Audit & Risk Assurance Committee Handbook.

- ARC composition

ARC members were appointed by the Board. The Committee consists of two Non-Executive Commissioners together with a further external independent member appointed to bring expertise relevant to the ARC's remit. The Commission's Lead Non-Executive Commissioner is the Chair of the Committee. The Head of Internal Audit and external auditor also attend and report to the ARC.

- ARC meetings in period

The ARC was formed and met once in the period. At its inaugural meeting, the ARC agreed its annual work plan as well as considering the Commission's framework for risk management and delegation, the appointment of internal auditors and plans for the publication of the annual report and accounts.

Attendance at ARC by members is included in the table below.

Name	Role	Meetings Attended
Lindsay Todd	Chair	1/1
Kathleen Russ	ARC member	1/1
Martin Pitt	External independent member	1/1

ii. Remuneration and Nomination Committee (REMC)

- REMC role/purpose

The REMC was established to determine the remuneration of the Board, to consider overall pay policy for the wider organisation and to lead work to appoint Executive Commissioners (Chief Executive Officer and Commissioner for Investigations).

- REMC composition

The Committee is appointed by the Board. The Chief Commissioner is the Chair of the Committee. Two Non-Executive Commissioners are members of the Committee along with a further external independent member.

- REMC meetings in period

REMC met on 15 December 2023 when it considered a number of appointments to ARC and the External Assurance Group. The Committee also agreed the pay framework.

Attendance at REMC by members is included in the table below.

Name	Role	Meetings Attended
Sir Declan Morgan	Chair	1/1
Lindsay Todd	Lead Non-Executive	1/1
Kathleen Russ	Non-Executive	1/1
Aidene Walsh	External Independent member	1/1

Other controls/processes

a. Code of Conduct

The Code of Conduct was published on 14 December 2023 on the Commission's [website](#). The Code sets out the principles for how all in the Commission should act, from Commissioners to investigative staff and corporate support officers. It covers those on secondment, loans, fixed term contracts, via agencies and contracted arrangements. The Code demonstrates how all Commission staff should carry out their work in accordance with and upholding the clear values of the organisation.

All staff receive training on the Code of Conduct at induction.

b. Declaration and Management of Outside Interests policy and Register of Interests

Commissioners, officers or members of staff of, secondees to or those otherwise engaged by the Commission are required to abide by the Seven Principles of Public Life and the Commission's Code of Conduct. The Commission's Policy for the Declaration and Management of Outside Interests (DMOI) outlines types of outside interests, the expected standards when declaring and managing relevant outside interests, how to consider whether a perceived, potential or actual conflict exists, and what action must be taken in those circumstances.

The Register of Interests for Commissioners was first published on 14 December 2023 and was last updated on 31 March 2024. The directorships and other significant interests of members of the Board are available [online](#).

c. Gifts and hospitality policy and register

The Commission's Gifts and Hospitality Policy outlines the process to be followed in the event of the offering of a gift or hospitality to any Commissioner, officer or member of staff of, secondees to or those otherwise engaged by the Commission and for the provision of hospitality, where appropriate.

The gifts and hospitality register for Board members is published on the [Commission's website](#). A draft was published in advance of legal establishment and the register was updated on 31 March 2024.

d. Complaints

The Commission published its [Complaint Handling](#) procedure in February 2024. Training on complaints was delivered to all staff in March 2024.

In addition, where complaints relate to the use of significant police powers, the Commission has agreed arrangements with the [Independent Office for Police Conduct \(IOPC\)](#) and the [Police Ombudsman for Northern Ireland \(PONI\)](#) to provide independent oversight by designated Commission officers in England and Wales and Northern Ireland respectively. Details of both agreements can be found on the Commission's website.

No complaints were received during the period.

Risk management

During the reporting period the focus was on delivering the commencement of operations through programme risk management techniques. Reflecting the early stages of the Commission's development in this period, the Board directed that preparatory work begin to develop a Board level risk register, based on development of risk registers in business units.

All ICRIR staff have responsibility for identifying and escalating risks. Management of operational risks is delegated to executive directors. Decisions of the ICRIR Executive Committee, Board and Board Committees are supported by an analysis of risk.

In this period, the Board's focus on risks related primarily to whether the Commission would be capable of beginning its operational work from 1 May 2024. The Board level risks related to whether the timetable for key activities would be met, whether the funding provided would be sufficient and whether the activities would be of sufficient quality to meet the Commission's requirements for a trauma and resiliency informed model and ECHR compliance. The management of these risks was through the establishment programme risk register and the Executive Committee, with a focus on specific mitigations and issues.

Internal Audit

ASM Chartered Accountants was appointed in March 2024, following procurement, to provide the Commission's internal audit service. The internal auditors did not complete any internal audit activity in the period. An internal audit plan, informed by the Commission's risk profile, has been agreed for delivery in 2024/25 and subsequent years.

The Head of Internal Audit has not been able to give assurance on the adequacy and effectiveness of risk management, control and governance during the period due to fact that the ASM were only appointed at the end of the period.

At the end of June 2024, ASM changed its name to Sumer Northern Ireland.

Raising a Concern / Public Interest Disclosure

The Commission is committed to high standards of integrity, objectivity, accountability, respect and impartiality in all that it does. The Commission adopted its own raising concern policy and procedure in December 2023 for staff who wish to raise a concern about a past, present or imminent wrongdoing.

There were no reports made through this mechanism in the period.

Information management and data security

For the period until 31 March 2024, the Commission contracted services by an external data protection officer, under a contract. The Commission's internal data protection officer commenced in late March 2024. Data protection policies and procedures have been developed to ensure information assets are handled appropriately. ICRIR staff are asked to complete information data handling courses, with compliance assurance continuing beyond year end.

There were no data security lapses that were deemed to be significant or critical and no data breaches were reported to the Information Commissioner's Office (ICO) in the reporting period.

Accounting Officer Conclusion

As Accounting Officer I provide an assessment of the operation and effectiveness of the Commission's governance arrangements. In forming this opinion, I had the benefit of an extended handover with my predecessor. Inevitably in a new organisation, systems for governance and control were developing rapidly. Nevertheless, for the period covered by this report, I am able to report that there were no significant weaknesses in the Commission's system of internal controls, which affected the achievement of its key policies, aims, and objectives.

As a new organisation, it was inevitable and appropriate that governance systems and processes were developing at pace. Across the period covered by this report, the Commission Board kept its effectiveness under review, and the Board and its committees were closely engaged in developing the information received and its approach to risk management. I am satisfied that the quality of the information presented to the Board was appropriate to the circumstances and challenges of a new organisation, and that its performance and approach to business, provided effective leadership to and oversight of the rapidly forming and growing organisation.

Remuneration and Staff Report

Remuneration Policy

The Commission has adopted a single pay range consisting of five pay bands for all staff which is modelled on wider public sector pay in equivalent bodies. Reflecting that the Commission needs to draw from labour markets in Northern Ireland and Great Britain, including London, the Commission has adopted a single scale based on those locations. The flatter pay band structure allows the Commission to provide more varied roles with greater opportunity of career development in the more junior bands. The pay framework the Commission has adopted reduces the risk of pay parity claims and is in line with Public Sector Pay Remit Guidance. All salaries are benchmarked in the context of the Commission's wider employee value proposition which includes a competitive pension, investment in learning and development a supportive work environment and family friendly policies.

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

The following sections provide details of the remuneration and pension interests of the most senior management (i.e. Board members) of the Commission. The Chief Commissioner and the Non-Executive Commissioners are public office holders and are not employees of the Commission. The Chief Executive Officer and the Commissioner for Investigations are employees, as well as being statutory public office holders.

Remuneration [Audited]

Unless otherwise stated, the official start dates for all Commissioners and officials was 14 December 2023.

Single total value of remuneration				
	Remuneration £000	Benefits in kind (to nearest £100) £	Pension benefits (to nearest £1,000) £	Total £000
Board Members				
Chief Commissioner Sir Declan Morgan	45-50 (140-145 ² full- year equivalent)	-	-	45-50
Commissioner for Investigations Peter Sheridan	45-50 (145-150 full-year equivalent)	-	-	45-50

² The Chief Commissioner works three days a week, the full-time equivalent is in the range £240,000-£245,000.

Single total value of remuneration				
	Remuneration £000	Benefits in kind (to nearest £100) £	Pension benefits (to nearest £1,000) £	Total £000
Chief Executive Officer ³ Tristan Pedelty	45-50 (145-150 full-year equivalent)	-	91,000	135-140
Non-Executive Commissioner Lindsay Todd	5-10 ⁴ (15-20 full-year equivalent)	-	-	5-10
Non-Executive Commissioner Kathleen Russ	5-10 ⁵ (15-20 full-year equivalent)	-	-	5-10
Non-Executive Commissioner Rogelio Alonso	5-10 ⁶ (15-20 full-year equivalent)	-	-	5-10
Non-Executive Commissioner Brice Dickson	5-10 ⁷ (15-20 full-year equivalent)	-	-	5-10
Other Officials				
Chief Operating Officer Kieran Rix	35-40 (105-110 full-year equivalent)	-	-	35-40
Head of Governance and Board Secretary Nikki Bodel	25-30 (70-75 full-year equivalent)	-	9,000	30-35
General Counsel Steven Bramley (start date 1 January 2024)	30-35 (125-130 full-year equivalent)	-	-	30-35

Salary and Remuneration

‘Salary’ includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance

³ The Chief Executive Officer from 7 September 2024 was Lousie Warde Hunter who received no remuneration from the Commission during the reporting period.

⁴ Lindsay Todd additionally received £2,500 prior to the formation of the Commission for services relating to the formation of the Commission.

⁵ Kathleen Russ additionally received £1,875 prior to the formation of the Commission for services relating to the formation of the Commission.

⁶ Rogelio Alonso additionally is due £1,875 for services relating to the formation of the Commission. The amounts due to Rogelio Alonso for services both pre and post formation were due but unpaid as at 31 March 2024.

⁷ Brice Dickson additionally received £1,875 prior to the formation of the Commission for services relating to the formation of the Commission.

to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Commission and thus recorded in these accounts.

Benefits in kind

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

Pension Benefits

Commissioners [Audited]

No pension contributions were made for Commissioners in the period ended 31 March 2024.

Officials [Audited]

	Accrued pension at pension age as at 31/03/2024	Real increase in pension and related lump sum at pension age	CETV at 31/03/24	CETV at 31/03/2023	Real increase in CETV
	£000	£000	£000	£000	£000
Commissioner and Chief Executive Officer Tristan Pedelty	35-40	2.5-5	550	473	59
Head of Governance & Board Secretary Nikki Bodel	05-10	0-2.5	101	95	5

The pension information for those listed above follows guidance in the Employer Pension notice EPN710 issued by the Civil Service Pensions.

Pension benefits are provided through the Civil Service pension arrangements. The Civil Servants and Others Pension Scheme or alpha, provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Further details about the Civil Service pension features and benefits can be found in the resource accounts of the Cabinet Office: Civil Superannuation, www.civilservicepensionscheme.org.uk.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and increased annually in line with pensions increase legislation.

Other arrangements include money purchase pensions known as a 'partnership' are available as an alternative. The employer makes an age-related basic contribution of 14.75% into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute.

Another 'partnership' is available as an alternative. The employer makes an age-related basic contribution of 3% into a stakeholder pension product chosen by the employer from a panel of providers. The employee does not have to contribute.

The pension figures quoted for officials in this report show combined pension earned in all schemes as appropriate.

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

Real Increase in CETV

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

Fair pay disclosures [Audited]

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

As this is the first period that the Commission is in operation it is not possible to include all disclosures such as the prior year comparatives in respect of the highest paid director, nor the changes year on year in respect of the pay ratio.

2023/24	Highest paid director £000	Other staff £	Pay multiple ratio
Highest paid Director	145-150		
25 th percentile pay ratio		51,323	2.87
Median pay ratio		60,520	2.44
75 th percentile pay ratio		73,499	2.01

Total remuneration includes salary and benefits-in-kind. The Commission does not offer any non-consolidated performance-related pay, but if it did this would also be included. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

In 2023-24, no other employee received remuneration in excess of the highest-paid director. Remuneration ranged from £32,000 to £149,000.

The percentiles for the salary only component of pay and benefits is the same as reported above for total remuneration.

Staff Report

Staff and Commissioner numbers and related costs [Audited]

	Permanently Employed staff £000	Commissioners £000	Others (including loanees and inward secondments) £000	Total £000
Wages & Salaries	140	96	894	1,130
Social Security Costs	17	13	87	117
Other pension Costs	-	11	171	182
Total Staff Costs	157	120	1,152	1,429

Staff Numbers [Audited]

At 31 March 2024, the Commission employed 47 staff (46.8 FTE).

	Total	Permanent Staff	Others (including loanees and inward secondments)
ICRIR	47	11	36

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

	Total	Permanent Staff	Others (including loanees and inward secondments)
ICRIR	39	7	32

Staff Composition

The number of staff during the period and an analysis of staff-in-post (headcount) as at 31 March 2024 by gender are shown below.

	Total Staff Employed	Executive Commissioners and Executive Committee Members	Other
Total	47	5	42
Composition:			
Male	21	4	17
Female	26	1	25

Staff Turnover

Staff turnover in the period was 2.6%.

Reporting of compensation schemes – exit packages (audited information)

There were no exit packages in 2023-24.

Reporting of expenditure on consultancy

The Commission incurred £204,082 expenditure on expert advice consultancy during 2023-24, reflecting the short-term need for specialised skills which have been required to support the establishment of the Commission.

Reporting of off payroll engagements

There was one off payroll worker engagement at 31 March 2024, earning £245 per day or greater, who existed for less than one year at the time of reporting and was determined to be outside the scope of IR35. The individual was not a Board member or senior official with significant financial responsibility.

Staff engagement and staff policies

There are a range of policies and procedures in place to support staff and line managers, including: additional paternity leave; adoption leave; annual leave; career breaks; conduct and discipline; disability support; equality, diversity and inclusion; flexible working; grievances; managing poor performance; maternity support; paternity leave; parental bereavement leave; managing probation; raising a concern;

recruitment principles; reward and recognition; shared parental leave; special leave; study leave; supporting attendance; and pay policy.

Sickness Absence

The number of working days lost due to sickness during the period was Nil.

Employment of People with Disabilities and Other Employee Matters

Employment training and advancement of disabled persons and other employee matters are reported on in the Performance Report.

Trade Union (Facility Time Publication Requirements) Regulations 2017 (Statutory Instruments 328)

No Official in the Commission spent time on trade union activities (unaudited).

Parliamentary Accountability and Audit Report

Parliamentary Disclosures

Regularity of expenditure

All expenditure was applied to the purpose intended by Parliament.

Losses and Special Payments (audited information)

There are no losses and special payments to report.

Remote Contingent Liabilities (audited information)

There are no remote contingent liabilities to report.

Income in relation to Fees and Charges (audited information)

No fees and charges were collected.

Long Term Expenditure trends

There are no long-term expenditure trends to note given this being the first reporting period of the commission.

Louise Warde Hunter
Accounting Officer
4 December 2024

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

Opinion on financial statements

I certify that I have audited the financial statements of the Independent Commission for Reconciliation and Information Recovery for the period ended 31 March 2024 under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023.

The financial statements comprise the Independent Commission for Reconciliation and Information Recovery's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the period 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 Commission for Reconciliation and Information Recovery's affairs as at 31 March 2024 and its net expenditure for the period then ended; and
- have been properly prepared in accordance with the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Independent Commission for Reconciliation and Information Recovery 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 Commission for Reconciliation and Information Recovery'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 Commission for Reconciliation and Information Recovery'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 certificate.

The going concern basis of accounting for the Independent Commission for Reconciliation and Information Recovery is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires 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 information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. 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 certificate, 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 Secretary of State directions issued under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023; 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 Commission for Reconciliation and Information Recovery 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 Commission for Reconciliation and Information Recovery 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 parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- 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 Commission for Reconciliation and Information Recovery 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 statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023; and
- assessing the Independent Commission for Reconciliation and Information Recovery'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 Commission for Reconciliation and Information Recovery will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023.

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 certificate 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 Commission for Reconciliation and Information Recovery's accounting policies;
- inquired of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to the Independent Commission for Reconciliation and Information Recovery'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 Commission for Reconciliation and Information Recovery's controls relating to the Independent Commission for Reconciliation and Information Recovery's compliance with the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 and Managing Public Money;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - 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 Commission for Reconciliation and Information Recovery 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 required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Independent Commission for Reconciliation and Information Recovery's framework of authority and other legal and regulatory frameworks in which the Independent Commission for Reconciliation and Information Recovery 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 Commission for Reconciliation and Information Recovery. The key laws and regulations I considered in this context included Northern Ireland Troubles (Legacy and Reconciliation) Act 2023, Managing Public Money, employment law 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, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence 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.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Date: 7 December 2024

FINANCIAL STATEMENTS

Statement of Comprehensive Net Expenditure for the period ended 31 March 2024

The reporting period for this statement is the four months from the Commission's establishment on 1 December 2023 to the period end 31 March 2024.

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

		2023-24 £000
	Note	
Staff costs	2	1,429
Other expenditure	3	785
Net expenditure for the period		2,214
Comprehensive net expenditure for the period ended 31 March 2024		2,214

The notes on pages 47-57 form part of these accounts.

Statement of Financial Position as at 31 March 2024

This statement presents the financial position of the Commission. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

		31 March 2024
	Note	£000
Non-current assets		
Property, plant and equipment	4	351
Right-of-Use assets	5	987
Total non-current assets		1,338
Current assets		
Trade and other receivables	7	275
Total current assets		275
Total assets		1,613
Current Liabilities		
Trade and other payables	8	1,324
Lease liabilities	8	51
Total current liabilities		1,375
Total assets less current liabilities		238
Non-current liabilities		
Lease liabilities	8	919
Total non-current liabilities		919
Total assets less total liabilities		(681)
Taxpayers' deficit		
General fund		(681)
Total equity		(681)

Signed:

Louise Warde Hunter
Accounting Officer
4 December 2024

The notes on pages 47-57 form part of these accounts.

Statement of Cash Flows for the period ended 31 March 2024

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Commission during the reporting period from 1 December 2023 to 31 March 2024. The statement shows how the Commission generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

		2023-24 £000
	Note	
Cash flows from operating activities		
Net operating expenditure		(2,214)
(Increase) in trade and other receivables	7	(275)
Increase in trade payables	8	966
Net cash inflow/(outflow) from operating activities		(1,523)
Cash flows from investing activities		
Purchase of Right of Use asset		(10)
Net cash inflow/(outflow) from investing activities		(1,533)
Cash flows from financing activities		
Grants from Sponsoring department		1,533
Net financing		1,533
Net (decrease)/increase in cash and cash equivalents in the period		-
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		-

The notes on pages 47-57 form part of these accounts.

Statement of changes in Taxpayers' Equity For period ended 31 March 2024

	General fund £000	Taxpayers' deficit £000
Balance at 1 December 2023	-	-
Changes in taxpayers' equity for 2023-24		
Comprehensive Expenditure for the period	(2,214)	(2,214)
Financing provided by Sponsor Department	1,533	1,533
Balance at 31 March 2024	(681)	(681)

The notes on pages 47-57 form part of these accounts.

Notes to the Accounts

Statement of accounting policies 2023-24

1. Basis of Preparation

The financial statements cover the period from 1 December 2023 to 31 March 2024 and have been prepared in accordance with the 2023-24 *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 Independent Commission for Reconciliation and Information Recovery (ICRIR or the Commission) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Commission are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The financial statements have been prepared in accordance with the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 ("the Legacy Act").

The Accounts Direction was issued on 14 May 2024 to the Commission.

The financial statements are stated in sterling, which is the Commission's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling (£000).

1.1 Going Concern

The Commission prepares financial statements in accordance with the FReM, which has adapted going concern for non-trading entities to be based on the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents.

The Commission's budget for 2024-25 has been included within the Main Estimate of the Northern Ireland Office.

The Secretary of State has the power under section 2(11) of the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023 to make payments to the Commission. The Northern Ireland Office has sent a letter to the Commission that confirms the provision of financial support to assist the Commission in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the Commission to meet such liabilities. The letter confirms that such support is provided to the Commission until 31 December 2025.

On this basis the accounting officer has concluded that it is appropriate to prepare the financial statements on a going concern basis and does not consider there are any material uncertainties around the Commission's going concern status for a period of at least twelve months from when the financial statements are authorised for issue.

1.2 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and intangible assets.

1.3 Non-current assets

Non-current assets comprise property, plant and equipment (leasehold improvements) and right-of use assets (leased assets).

Expenditure on property, plant and equipment of over £1,000 is capitalised; the grouping of a range of property, plant and equipment has also been undertaken in respect of some personal computers, printers, office furniture and equipment.

Property, plant and equipment are stated at fair value, which is deemed to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets under construction are shown at cost and relate to assets which are incomplete but for which the Commission has incurred a liability.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is expensed through the Consolidated Statement of Comprehensive Net Expenditure.

Right-of-use assets are initially measured at the value of the corresponding lease liability, plus lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost (as a proxy for fair value) less accumulated depreciation and impairment losses, unless they are considered long term (defined as leases with a term of 25 years or more), in which case they are carried at fair value/current value in existing use, in accordance with the revaluation model in IAS 1.

1.4 Depreciation

Non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Estimated useful lives, which are reviewed regularly, are:

Asset category	Useful Life
Right of use assets	The life of the lease
Leasehold improvements	The life of the lease

1.5 Employee Benefits

The Commission's employees were not part of a pension scheme in the period up to the accounting date. From 1 April 2024, the Commission employees became members of the Local Government Pension Scheme (Northern Ireland) ([NILGOSC](#)), a funded defined benefit pension scheme providing pension benefits for employees of Northern Ireland local authorities in and other admitted bodies.

All Commission employees were admitted to the NILGOSC scheme upon commencement of employment. Employees who joined the Commission prior to 1 April 2024 were admitted to the NILGOSC scheme on 1st April 2024 and had their entitlement backdated to the date they joined the Commission; the cost of backdating benefits for these employees has been accrued at 31 March 2024 as detailed in Note 12 to the accounts.

Staff who are on loan to the Commission from other entities will continue in the pension schemes of their parent entity, the cost of which is recharged to the Commission as part of staff costs.

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

1.6 Financing

Financing

The Commission is resourced by funds approved by Parliament through the annual Supply process via grant in aid from its sponsor department the NIO.

1.7 Leases

IFRS 16 (Leases) introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all leases.

All lease contracts are assessed at inception to determine whether they constitute, or contain, a lease. If so, then a right-of-use asset and a corresponding lease liability are recognised, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets (defined as assets with a value less than the applicable capitalisation threshold; for these leases, the lease payments are recognised as an operating expense on a straight-line basis over the term of the lease.

Although agreements between UK government bodies are not legally enforceable, any intra-UK government lease agreements are treated as if they constituted a legally enforceable contract, and therefore a lease liability and a corresponding right-of-use asset are recognised.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the incremental borrowing rate, as promulgated by HM Treasury, is used, in line with HMT guidance issued under Public Expenditure System (PES) papers.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is re-measured (with a corresponding adjustment being made to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value;
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

Right-of-use assets are initially measured at the value of the corresponding lease liability, plus lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost (as a proxy for fair value) less accumulated depreciation and impairment losses. The Commission will not enter into any long-term leases, defined as leases with a term of 25 years or more.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the expectation that a purchase option will be exercised, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

1.8 Provisions

The commission provides for legal or constructive obligations which are of uncertain timing or amount at the reporting date on the basis of the best estimate of the expenditure required to settle the obligation. For any provisions extending beyond one year the provision is discounted in line with HMT guidance issued under Public Expenditure System (PES) papers.

1.9 Contingent liabilities

Contingent liabilities are disclosed in the notes to the financial statements in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. 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.

Remote contingent liabilities outside the scope of IAS 37 but requiring Parliamentary reporting in accordance with the requirements of *Managing Public Money* are disclosed in the Parliamentary Accountability and Audit section of the Accountability Report.

1.10 Value Added Tax

Most of the activities of the Commission are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.11 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.

1.12 Financial Instruments

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its Statement of Financial Position when it becomes party to the contractual provisions of the instrument.

Financial Assets

Receivables

Receivables do not carry any interest and are recognised at fair value. No expected credit loss provision has been required as at 31 March 2024.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

The Commission did not operate a bank account in its own name prior to the accounting date. The Commission authorised payments to be made on behalf of the Commission, through Account NI, the Northern Ireland Civil Service accounting system from the NIO bank account. These payments were all authorised by the Commission in advance and 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 was included within the Commission Accounts.

An account in the name of ICRIR was opened and subsequently all transactions have been processed and authorised directly through this account since April 2024.

Financial Liabilities

Trade and other payables

Financial liabilities within trade and other payables are recognised at fair value, which is usually the original invoiced amount.

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

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

IFRS17 – Insurance contracts replaces IFRS4 and will be adopted into the FreM from 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 does not issue insurance policies, no material impact is expected on the financial statements as a result of this standard.

2. Staff costs

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

Staff costs

	Total
	£000
Wages and salaries	1,130
Social security costs	117
Other pension costs	182
Total staff costs	1,429

3. Other Expenditure

	2023-24
	£000
Other Expenditure	
Events and conferences	27
Maintenance and utilities	102
Professional fees	297
Audit Fee	65
Consultancy	204
Subscriptions to professional bodies	2
Travel and subsistence	57
All other expenditure	31
Total Expenditure	785

During the year the Commission did not purchase any non-audit services from its auditor, the National Audit Office.

4. Property, plant and equipment

	Leasehold Improvements	Total
	£000	£000
Cost or valuation		
At 1 December 2023	-	-
Additions	351	351
At 31 March 2024	351	351
Depreciation		
At 1 December 2023	-	-
Charged in year	-	-
At 31 March 2024	-	-
Carrying Amount		
At 31 March 2024	351	351
Carrying Amount		
At 01 December 2023	-	-

5. Leases

The Commission's leases are recognised on the Statement of Financial Position, with the exception of those leases which are exempt by having less than 12 months to run from 31 March 2024 or are considered low value (less than £1,000).

On initial application, the lease liability is measured at the present value of the remaining lease payments using the incremental borrowing rate at the date of initial application. The incremental borrowing rate is either:

- The interest rate implicit in the lease; or

- HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined in line with HMT guidance issued under Public Expenditure System (PES) papers.

	Leasehold	Total
	£000	£000
Right-of-Use assets		
Cost or valuation		
At 1 December 2023	-	-
Additions	987	987
At 31 March 2024	987	987
Depreciation		
At 1 December 2023	-	-
Charged in year	-	-
At 31 March 2024	-	-
Carrying Amount		
At 31 March 2024	987	987
Carrying Amount		
At 01 December 2023	-	-

2023-24	Leasehold	Total
	£000	£000
Lease Liabilities		
At 1 December 2023	-	-
Additions	970	970
Interest on lease liabilities	-	-
Cash Payment	-	-

2023-24	Leasehold	Total
Lease Liabilities	£000	£000
At 31 March 2024	970	970
Total future lease payments under leases are given in the table below for each of the following periods:		
No later than one year	(51)	(51)
Later than one year and not later than five years	(475)	(475)
Later than five years	(444)	(444)
Balance at 31 March 2024	(970)	(970)

The lease relates to an office site in Belfast that is currently under construction.

6. Financial Instruments

As the cash requirements of the commission are met 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 department's expected purchase and usage requirements and the department is therefore exposed to little credit, liquidity or market risk.

7. Trade receivables, financial and other assets

	2023-24
	£000
Amounts falling due within one year:	
VAT receivables	66
Other Debtors	36
Prepayments	173
Total	275

8. Trade payables and other current liabilities

	2023-24
	£000
Amounts falling due within one year:	
Accruals and deferred income	966

	2023-24
	£000
Capital accruals	358
Current element of lease liabilities	51
	<hr/> 1,375
Amounts falling due after more than one year:	
Leases	919
Accruals and deferred income	-
Total	<hr/> 2,294 <hr/>

9. Contingent liabilities disclosed under IAS 37

The Commission has no contingent liabilities.

10. Commitments

The Commission has committed to a site that was occupied under a leasehold agreement after the reporting date. At year end the lease had not commenced but there was a commitment to enter into the ten-year lease for an estimate of £2,007,000 lease payments. This will be accounted for as an IFRS 16 lease from the post year end lease commencement date.

11. Related-party transactions

The ICRIR is an Arm's Length Non-Departmental Public Body within the Northern Ireland Office (NIO). The NIO is then regarded as a related party.

No other Board members, key managerial staff or other related parties have undertaken any other material transactions with the NIO during the period. The remuneration report sets out amounts paid to management.

12. Events after the reporting period date

In accordance with IAS 10, events after the reporting period are considered up to date at which the accounts are authorised for issue. This is interpreted as being the date of the certificate and report of the Comptroller and Auditor General to the Houses of Parliament. The events to report are as follows:

A number of the Commission's staff entered into the Local Government Pension Scheme (Northern Ireland) a funded defined benefit pension scheme. The scheme came into effect for the Commission on 1 April 2024 with new employees able to join the scheme from this date. Contributions relating to employees prior to 1 April 2024 were calculated at £3,460.

As noted in the performance report, ICRIR's operations commenced on 1 May 2024.

On 7 September 2024 the Chief Executive Officer and Accounting Officer roles

transferred from Tristan Pedelty to Louise Warde Hunter.

On 4 December 2024, the Secretary of State for Northern Ireland announced the intention to repeal and replace the Northern Ireland Troubles (Legacy and Reconciliation) Act 2023. The announcement included the intention to make further changes to reform and strengthen the ICRIIR's independence, powers and accountability, indicating that ICRIIR will continue to operate and provide services. As a result there is no impact on the going concern assessment detailed at note 1.1.

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