

Public Prosecution Service for Northern Ireland

Annual Report and Resource Accounts

2016-17



Independent, Fair and Effective



Public Prosecution Service for Northern Ireland

Annual Report & Resource Accounts 2016-17

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Annual Report and Resource Accounts 2016-17



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Annual Report and Resource Accounts 2016-17

The Public Prosecution Service (PPS) presents its Annual Report and Resource Accounts for the financial year ended 31 March 2017. The accounts demonstrate the resources that have been used in delivering the Service's objectives.

The accounts are prepared in accordance with the guidance set out in the Government Financial Reporting Manual and as directed by the Department of Finance and on the basis of PPS being a going concern.

Foreword

by the Attorney General for Northern Ireland

This year has been a challenging one for the PPS following last year's major organisational restructuring of the service, and the loss of many experienced prosecutors and administrative staff under the Voluntary Exit Scheme. That the Director and his colleagues have met so many targets, particularly in the area of timeliness of decision making, in such circumstances is a matter for congratulation.

The PPS has sought to improve an aspect of the service which it provides to the Northern Ireland community, by publishing in August 2016 its revised Code for Prosecutors. The revised Code makes a number of important changes to enhance the rights of the public; it states clearly that it is PPS policy to give reasons in all cases where a decision not to prosecute is taken; it acknowledges the obligation on prosecutors to ensure that the views of a victim or his or her family are taken into account where the PPS has to consider whether, in the course of criminal proceedings, to accept a plea to a lesser charge; and it enshrines an obligation on the part of the Service to notify victims of their right to make a Victim Impact Statement and to work to make such a statement available to the court passing sentence. It is to be hoped that these important changes will contribute to improving the experience that victims and their families have of the Northern Ireland criminal justice system.

I take this opportunity to pay tribute to Pamela Atchison, the Deputy Director who retired on 31 March this year. Ms Atchison gave many years of service to the Public Prosecution Service and its predecessor the Department of the Director of Public Prosecutions. I take this opportunity to thank Ms Atchison publicly and to wish her a long and happy retirement.



John F Larkin QC
Attorney General for Northern Ireland

A handwritten signature in black ink, appearing to read 'John F Larkin'.

John F Larkin QC
Attorney General for Northern Ireland

Foreword

by the Advocate General for Northern Ireland

The Attorney General for England and Wales is, by virtue of that office, also the Advocate General for Northern Ireland, a position which I am honoured to hold. My principal responsibilities relate to national security and international terrorism, matters reserved to Westminster as part of the devolution settlement.



Jeremy Wright QC MP

Advocate General for Northern Ireland

I welcome this report setting out the work of the Public Prosecution Service for Northern Ireland for the past year. What stands out is the vision of senior leaders and the resilience and commitment to justice displayed by all the members of the Service, which has kept the quality of service high.

I commend the Public Prosecution Service's participation in, and contribution to, the Faster, Fairer Justice programme and reducing avoidable delay. I was also pleased to note that different ways of working and making use of technology are being piloted, such as trialling the use of an electronic case file. This is another initiative with the potential to provide both efficiencies in delivery and benefits to the performance of prosecutors and others in the criminal justice system.

I was pleased too to see the publication of a revised Code for Prosecutors in August 2016, including new procedures for a review of a decision not to prosecute and updated guidance on giving reasons to victims of crime. This, and the further work planned taking into account the Victim Charter, will helpfully underpin the Service's strategic priority to build the trust of victims, witnesses and the community it serves.

I would especially wish to take this opportunity to thank Barra McGrory QC, the third person to be appointed Director of Public Prosecutions for Northern Ireland since the position was created, for his stewardship of the Public Prosecution Service during a challenging period of transformation. I wish him success in his return to private practice when he steps down in the Autumn.

A handwritten signature in black ink that reads "Jeremy Wright". The signature is written in a cursive, flowing style.

The Rt Hon Jeremy Wright QC MP

Advocate General for Northern Ireland

Statement of Vision, Aim and Values

Our Vision

To be recognised as providing a first class prosecution service for the people of Northern Ireland.

Our Aim

The aim of the Public Prosecution Service is to provide the people of Northern Ireland with an independent, fair and effective prosecution service.

Our Values

- **Independence and Integrity**
We will maintain our independence and act at all times with integrity, fairness and impartiality. We will seek to deliver justice in every case in accordance with the law, respecting the human rights of all persons.
- **Openness and Honesty**
We will communicate openly and honestly, in accordance with our professional duties. We will set clear standards about the service the public can expect from us.
- **Respect**
We will respect each other, our colleagues and the public we serve, showing courtesy, sensitivity and understanding.
- **Excellence**
We will make the best use of our people and resources, seeking to achieve excellence in everything we do.
- **Partnership**
We will work in partnership within the criminal justice system to better serve the community.

Part 1: Performance Report



Director's Commentary on Performance

I am pleased to present my report on the performance of the Public Prosecution Service (PPS) during 2016-17.

The last 18 months has been a period of transition for the PPS, as we have sought to embed our Transformation Programme. A number of significant changes have been implemented, including the consolidation of our operational teams which have been brought together in three main locations, in Belfast, Foyle and Newry. We have also centralised a range of the most serious indictable cases, including murder, manslaughter and sexual offences, within the new Serious Crime Unit, based in Belfast.

Major challenges have also been presented by the Voluntary Exit Scheme (VES). The substantial loss of legal and administrative staff during the course of 2015-16 through the VES included a number of our most experienced Senior Public Prosecutors. The ongoing budgetary constraints have also meant that it has been necessary to reduce overall staffing numbers. Comparing April 2015 and 2016, the staff complement of the Service fell from 565 to 486, a reduction of 14%. This has meant that the remaining staff have been asked to maintain the existing functions and the range of services offered, which have not diminished over this period.

To some extent the reduction in staff numbers has been offset by the efficiencies offered by the new structures. In developing the new organisational model the aim was to increase the flexibility of the Service, streamlining our operations so as to improve resilience and maintain a high level of effectiveness. As a result, we have been able to maintain our focus on performance and meeting our existing key delivery targets. This is evidenced by our performance in respect of the timeliness of our prosecution decisions, where 9 of the 10 targets for the year were met.

In tackling avoidable delay, collaborative working with our criminal justice partners is vital. During the year we have been active participants in the Speeding-Up Justice Programme. This has included PPS input to the committal reform initiative which originates from the Justice Act (Northern Ireland) 2015. We have also worked with our partners in preparing a new Indictable Cases Process, which demonstrated substantial benefits in terms of timeliness during its pilot phase in 2015. The new arrangements commenced in May 2017.

We continue to deliver a high quality service. During the year, new case management arrangements for complex cases, first introduced in early 2016, have been embedded across the organisation. We continue to monitor our performance against the PPS Prosecution Quality Standards. I am pleased to report that the quality of our decisions has been maintained during 2016-17. Based on the results of dip sampling by senior prosecutors, 98% of decisions were assessed as having been taken in accordance with the Code for Prosecutors.

In May 2015, Sir Keir Starmer QC published the findings of his independent review of three interlinked cases involving sex abuse and terror-related charges. In October 2016 I invited Criminal Justice Inspection to carry out a review to assess the effectiveness of the Service's response. Inspectors have identified a number of areas for further improvement which are now being addressed by the senior team.

The Service remains committed to providing effective services to victims and witnesses. As part of this commitment, a revised Victim and Witness Policy was published for consultation. This policy reflects all of the requirements set out in the Victim and Witness Charters, and also our continued investment in the Victim and Witness Care Unit. We have also conducted a review of our Witness Expenses Policy and a revised policy will be published in 2017-18.

It is essential that the PPS provides a service which is independent, fair and effective, and in which the community can have confidence. The latest findings from the NI Omnibus Survey are very encouraging, with 71% of respondents stating that they were very or fairly confident in the fairness and impartiality of the Service.

Overall this has been a year of considerable change for the PPS but also, in my view, considerable achievement. Therefore I would like to take this opportunity to thank all of my colleagues for their dedicated service and professionalism during this difficult period. All staff have contributed immensely to ensuring the continuity of a quality and effective service across all areas of the business.

I am confident that PPS staff will continue to provide a highly performing prosecution service during the year ahead.



Barra McGrory QC
Director of Public Prosecutions
for Northern Ireland

Overview of Performance during 2016-17

Introduction

This overview of performance is intended to provide a short summary of the PPS's key business priorities, objectives and related milestones for the 2016-17 financial year, and an account of what has been delivered by the Service over the period.

It also provides relevant background to the PPS, including its structures, role, the operating environment and the approach to risk management.

About the Public Prosecution Service

The PPS is the principal prosecuting authority in Northern Ireland. In addition to taking decisions as to prosecution in all cases initiated or investigated by the police, it also considers cases initiated or investigated by other statutory authorities, for example HM Revenue and Customs.

The Service was established on 13 June 2005 by the Justice (Northern Ireland) Act 2002. The Act creates the PPS and defines its statutory duties and commitments and the legislative framework within which it must provide its services.

PPS Structures

The PPS is a regionally based organisation. There are two regions, Belfast and Eastern Region and Western and Southern Region, each of which is headed by an Assistant Director (AD). The AD is responsible for working with the courts and the police to provide a high quality prosecution service in their area. The regions deal with a wide range of cases, from the less serious summary cases, which are heard in the Magistrates' Courts, through to more serious indictable cases which are heard in the Crown Court.

In addition there are four legal sections, based in PPS Headquarters, which are also headed at AD level. These sections are as follows:

- The Serious Crime Unit deals with a range of the most serious offences including murder, manslaughter, rape and other serious sexual offences, human trafficking, prostitution and related offences.
- Central Casework Section deals with some of the most high profile and difficult cases in Northern Ireland, including files relating to terrorism and organised crime.
- Fraud and Departmental Section deals with serious and complex fraud files submitted by the police, as well as files from Government Departments and Agencies.

- High Court and International Section deals with a range of specialist legal matters, including High Court bail applications, restraint and confiscation orders, extradition, international letters of request, judicial reviews, appeals to the Court of Appeal and cases referred by the Criminal Cases Review Commission.

Corporate Services is responsible for the organisation's support services such as Policy and Information, Communication, Finance, Resource Management and ICT, as well as the Victim and Witness Care Unit (VWCU).

An Organisation Chart for the PPS is presented at Annex A.

PPS Role

The primary role of the PPS is to reach decisions to prosecute or not to prosecute and to have responsibility for the conduct of criminal proceedings. Additional services are also available which have been designed to enhance the effectiveness of the Service, including the provision of prosecutorial and pre-charge advice.

Options are available to allow prosecutors to deal with offenders other than through prosecution. These include restorative cautioning, informed warnings and youth conferencing. Prosecutors may also refer offenders to the National Driver Alertness Course. The purposes of diversion include dealing quickly and simply with less serious offenders, reducing the risk of reoffending and engaging the offender in a restorative process with the victim and society as a whole.

Prosecution Decisions

Prosecutions are instituted or continued only where the public prosecutor is satisfied that the Test for Prosecution is met. The Test for Prosecution is met if:

- The evidence which can be adduced in court is sufficient to provide a reasonable prospect of conviction – the Evidential Test; and
- Prosecution is required in the Public Interest – the Public Interest Test.

The Test for Prosecution is the key element in the Code for Prosecutors issued under Section 37 of the 2002 Act. The Code gives guidance on the general principles to be applied in determining in any case whether criminal proceedings should be brought, what charges should be preferred and how prosecutions should be conducted. It also sets out the standards of conduct that the PPS requires from prosecutors, including external counsel instructed on behalf of the Director.

Conduct of Prosecutions

The majority of prosecutions in the Magistrates' and Youth Courts, and appeals at the County Court, are conducted by Public Prosecutors, with the remainder conducted by external counsel. In general, members of external counsel represent the PPS at the Crown Court, High Court and the Court of Appeal. In performing this role external counsel are essential to the effective delivery of PPS services.

All members of external counsel are required to comply with the policies and guidance of the Director in the conduct of prosecutions, the PPS Advocacy Standards and the PPS Code of Ethics.

Working in Partnership: Criminal Justice System Northern Ireland (CJSNI)

The PPS works in partnership with the Police Service of Northern Ireland, the Northern Ireland Courts and Tribunals Service, the Northern Ireland Prison Service, the Probation Board for Northern Ireland, the Youth Justice Agency and the Department of Justice, as part of the Criminal Justice System Northern Ireland. The PPS is represented on the Criminal Justice Delivery Group which comprises senior officials from these Services.

The Director is a member of the Criminal Justice Board which is chaired by the Minister of Justice. This was established by the Minister to improve engagement between the most senior leaders within the criminal justice system, and to provide strategic oversight to the work of the Criminal Justice Delivery Group.

Inspection and Audit

The PPS is subject to review by Criminal Justice Inspection Northern Ireland (CJI), within the provisions of Part 3 of the Justice (Northern Ireland) Act 2002.

Internal Audit provision within the PPS is provided by the Internal Audit Branch of the Department of Justice (DoJ). An annual programme of audits is agreed with the PPS Audit and Risk Committee, in consultation with the DoJ's Head of Internal Audit. The internal audit service is provided in accordance with the Public Sector Internal Audit Standards.

Details of audit activity during 2016-17 are set out at page 56.

Departmental Liabilities

The PPS is a non-ministerial department funded by the Northern Ireland Assembly. While the current liabilities of the Department exceed the current assets, the functions of the Department are statutory in nature and cannot be discontinued. Future funding is assured and on this basis the going concern concept applies to the activities of the Service.

Management of Risk

The PPS risk management policy sets out the framework for the management of risk and promotes a consistent approach across the Service.

During 2016-17 the Management Board identified 11 corporate risks that could, if not managed properly, have reduced the Service's ability to deliver against its strategic priorities. These are set out below (see 'Governance Statement', page 44).

Key Initiatives during 2016-17

Transformation Programme – Phases 1 and 2

The Transformation Programme was established by the PPS Management Board to take forward a fundamental review of the delivery of the Service's functions, in light of the proposed budget settlements for 2015-16 and the subsequent Spending Review period. This was to enable the PPS to identify actions that would minimise operational spend, while protecting frontline services, particularly those provided to victims and witnesses.

The Transformation Working Group (TWG) commenced in October 2014 in order to support the Board in the development of future operational structures and plans (Phase 1). Following consideration of a number of options, a new organisational model for the Service was presented to the Board in June 2015. This was formally signed off by the Board in September 2015. The remit of the TWG was then extended in order to focus on the implementation of the new model in a second phase. This covered all aspects of the implementation process, including people, property and processes.

Key changes have included:

- The consolidation of operations across four office locations, at Belfast Chambers, Foyle Chambers, and Newry Chambers, with a satellite office retained in Omagh. Ballymena Chambers, Lisburn Chambers and Linum Chambers (Belfast) have all been closed, while the Service has also withdrawn from NICTS premises at Laganside Courts.
- Implementation of a 2 region structure, reducing from the 4 regions in place previously.
- The creation of the new centralised Serious Crime Unit.
- A more streamlined senior management team, with the number of SCS Grade 5 posts reducing from 8 to 6.
- A reduction in PPS staff numbers from a complement of 565 to 486, delivered through the Northern Ireland Civil Service (NICS) Voluntary Exit Scheme.

During 2016-17, the focus for local management has been on embedding and consolidating these changes, many of which have had a significant impact on the day to day operation of the PPS.

Transformation Programme – Phase 3

The Transformation Programme was relaunched by the Management Board in August 2016. The focus of the TWG shifted in emphasis to providing support to the Board in ensuring that key PPS projects and inter-agency service delivery initiatives were progressed.

The PPS is operating in a very dynamic environment where a range of new criminal justice proposals are under active consideration. The Service is engaged in a number of initiatives with the DoJ and other partners, including PSNI and NICTS. This includes the Speeding-Up Justice Programme which provides the framework for the initiatives set out in the Justice Act (Northern Ireland) 2015. A number of these initiatives are also reflected in the NI Executive's 'Fresh Start' agreement, and as such are of strategic importance in terms of enhancing service delivery, improving efficiency and delivering better outcomes within the criminal justice system. In addition, the Service is taking forward a number of internal service delivery projects, such as the rollout of Electronic Case Files (tablet PCs) for use by prosecutors at court.

At the same time the Service has had to deal with the outworkings of the NICS Grading Review of Legal Posts, ensuring the continuity of service delivery.

In summary, the key drivers for this latest phase of the TWG were as follows:

- A recognition that there were significant constraints on budgets, and as a result the Service has only limited flexibility in responding to changing demands and in addressing the competing requirements of current commitments and new initiatives. Therefore it is essential that the PPS's efforts are co-ordinated and (where necessary) prioritised.
- There was a need to improve the management of initiatives, ensuring that they are taken forward within a project management environment.
- It was essential that the interfaces between initiatives are understood, in order to ensure that effective end to end processes can be designed and implemented.
- There was a need to ensure that effective engagement takes place with external delivery partners, so that PPS views and requirements are disseminated clearly, both in respect of new proposals and existing initiatives.
- Due to the high profile / strategic nature of many of these initiatives, the Management Board requires relevant assurances regarding their progress.

The work of the TWG during this phase has been taken forward on a programme basis, with the Senior Assistant Director for Resources and Change acting as Senior Responsible Officer (SRO). The programme has been broken down into a number of projects to ensure that sub-groups are identified to complete specific tasks, engage the necessary expertise and achieve the results required in the agreed timescales. There are five projects in total, each of which has been assigned a project lead (see below).

Project	Issue	Project Lead
1.	Committal Reform	AD Fraud and Departmental
2.	Implementation of ICP Arrangements	AD Serious Crime Unit
3.	Operational Effectiveness (to include the NICS Grading Review of Legal Posts)	Head of Resource Management
4.	Working Together	AD Fraud and Departmental
5.	Digital Working – to include: a) Electronic Case File Initiative b) Digital Justice c) Live links d) Track My Crime (Victim and Witness Information Portal)	Head of ICT

The Heads of the Policy and Information Unit and Finance Section were appointed as programme managers, and have liaised with project leads on a regular basis to ensure that relevant milestones have been met.

Significant progress has been made in respect of these projects over the course of the year. A summary of the projects and the key deliverables is set out below (see ‘Performance during 2016-17’).

Corporate Planning in the Public Prosecution Service

The Service’s corporate planning is based around four strategic priorities which act as a framework to drive our planning outcomes and our approach to managing performance and risk. Within each priority area a number of objectives have been set out as the focus of the PPS’s work programme and which will progress the delivery of the Service’s vision.

The PPS’s strategic priorities and objectives for 2016-17 were as follows:

Strategic Priority 1: Providing a high quality prosecution service

- 1.1: To promote the highest standard of decision-making, case preparation and advocacy, applying our Quality Standards on a fair and consistent basis.
- 1.2 To reduce avoidable delay and improve our service delivery through stronger partnership working.

Strategic Priority 2: Building the trust of victims, witnesses and the community we serve

- 2.1 To meet our commitments under the Victim Charter, providing victims and witnesses with the information and support they need.
- 2.2 To improve public confidence by engaging effectively with stakeholders and the wider community.

Strategic Priority 3: Strengthening our capability to deliver

- 3.1 To embed our Transformation Programme and build a resilient and sustainable business model within the resources available.
- 3.2 To strengthen our accountability as a non-ministerial department by developing and maintaining a transparent and effective governance framework.

Strategic Priority 4: Building the capability of our people

- 4.1 To inspire our people and promote a culture of continuous improvement.

Performance during 2016-17

Strategic Priority 1: Providing a high quality prosecution service

Objective 1.1:

To promote the highest standard of decision-making, case preparation and advocacy, applying our Quality Standards on a fair and consistent basis.

Legal Quality Assurance

The Quality Assurance Team's work programme for 2016-17 included a number of thematic reviews. The Team has also taken on responsibility for the dip sampling of the police's use of Community Resolution and Penalty Notices for Disorder. This is being carried out twice per month on the basis of a five percent sample.

The Service also maintained an administrative quality assurance service to conduct freestanding administrative reviews and to manage those parts of legal thematic reviews which concerned operational processes. Issues addressed during the year included:

- The quality of PPS 'giving of reasons' letters (V60) - to advise if letters were easily understood and if they provided the correct information;
- The effectiveness of the police 'locate and trace' facility, which may be used in the event of an unserved summons; and
- The effectiveness of postal summonses in Departmental cases.

In addition, senior managers have reviewed a range of serious cases where there has been an unsuccessful outcome to ensure that any lessons learned have been considered. This has included No Bills and Acquittals by Direction in the Crown Court, as well as cases in which a request for review has resulted in a change to the original decision.¹

Policy Development

All policies under development are screened to ensure they promote equality and good relations in line with S75 of the Northern Ireland Act 1998.

A major review of the PPS Code for Prosecutors was completed, and the document was released for public consultation in May 2015 for a period of 16 weeks. A final version of the document was published in August 2016. Full details of the key changes are outlined on the PPS website (see 'Public Consultations'), including all comments made by consultees and the Service's response.

The main amendments from the previous edition of the Code in 2008 are as follows:

- Revision of the procedures for review of a decision not to prosecute.
- Updated guidance to reflect our approach to the giving of reasons to victims of crime.

¹ A 'No Bill' occurs in cases before the Crown Court where the Judge, prior to commencement of trial, determines that there is insufficient evidence to proceed on any count or charge. During trial, and on completion of the prosecution case, a defendant may be 'acquitted by direction' where the Judge determines that there is insufficient evidence to proceed.

- Reference to the Attorney General’s Human Rights guidance.
- An outline of current arrangements for dealing with victims and the provision of victim services, for example reflecting the role of the VWCU and the requirements of the Victim Charter.

A number of other policy statements were to be published for consultation during 2016-17, including policies in relation to the handling of cases involving youth offenders and guidelines for diversion. However publication of these documents was deferred, pending legislative changes and / or the implementation of related initiatives within the criminal justice sector, such as the Youth Engagement initiative. The position with regard to these policies will now be reviewed by the Service’s Policy and Quality Committee and prioritised based on current circumstances and a consideration of other emerging policy issues.

Case Management

A new Case Management Policy was implemented in January 2016. The purpose of the policy was to ensure that risks to a successful outcome in difficult and complex cases are identified at an early stage. The policy also outlined a number of measures to improve strategic planning in such cases, for example through the introduction of prosecution strategy documents which will outline all actions to be taken by police, prosecutors and external counsel. During the year steps have been taken to embed the new policy and to ensure greater consistency of approach across the regional offices.

Case management panels have also been introduced as part of the new arrangements. The panels serve as a forum for the consideration of selected complex and/or high profile cases, involving a structured meeting between the prosecutor, the AD and the senior team (chaired by the Director) with a view to discussing issues and challenges and providing additional support and guidance as needed.

Criminal Justice Inspection Northern Ireland

The Chief Inspector has taken forward a number of inspections which focused on the work of the PPS and/or its interface with partner agencies (see page 55 for further details).

The Service has considered all findings and, where appropriate, has liaised with partner agencies to ensure that recommendations are addressed.

Objective 1.2:

To reduce avoidable delay and improve service delivery through stronger partnership working.

Tackling Avoidable Delay

Justice Act

The PPS is participating in the Speeding-Up Justice Programme which provides the strategic context and framework for the range of initiatives set out in the Justice Act (NI) 2015. During 2016-17, this work has been wide ranging, covering a number of different strands. For example, the committal reform initiative, which originates from the 2015 Act, sets out a number of changes to the committal arrangements in Northern Ireland, including the direct committal from the Magistrates’ Court to the Crown Court of an accused person, charged with specified offences such as murder or manslaughter. It also provides for a mechanism to deal with those cases which are suitable to be tried on indictment where the accused indicates at an early stage that he/she intends to plead guilty. The overall aim of the initiative is to speed up justice, facilitate early and targeted case

management and reduce demands on witnesses. The Committal Reform Working Group, which includes PPS representation, has made significant progress in developing the legal framework and the technical specifications which are needed to support the reform. The target date for implementation is the end of March 2018.

Public Prosecutor summonses were introduced in February 2017. The issue of prosecutor summonses is provided for by Section 93 of the 2015 Act. Practically, this gives the power to prosecutors who have signing authority to sign and issue a summons after a complaint has been sent electronically, and received, by a court office. Previously there was a requirement for all summonses to be signed by a Lay Magistrate.

Other work has focused on the implementation of the Single Jurisdiction reforms.

Indictable Cases Process

During 2015, PPS worked with partner agencies in the operation of a new Indictable Cases Pilot. This was designed in response to the Criminal Justice Board's request to deliver a 'radical pilot', and was initially a test of concept to determine what was potentially achievable in terms of reducing delay. While this was shown to be a resource intensive process for the PPS, the evaluation of the Pilot data demonstrated substantial benefits in terms of timeliness. On this basis, it was decided that the Indictable Cases Process (ICP), modelled on the Pilot, would be rolled out for a range of indictable offences, including attempted murder, serious assaults and serious drug offences. The process had already been rolled out to all murder/manslaughter cases handled by the PPS's Serious Crime Unit. The new arrangements commenced in May 2017.

Working Together

In November 2015, CJI released a report on the quality and timeliness of police files. In response to the report, PPS and PSNI formed a joint project team to explore the key issues. Several methods for improving file quality and reducing delay will be trialled during a pilot exercise which will apply to offences investigated by PSNI's A District (Belfast City) where: (i) The case has been deemed suitable for summary prosecution, or; (ii) The case involves specified offences where no prosecution has been recommended.

The pilot commenced in February 2017 and there will be continuous evaluation throughout its duration.

In addition to the pilot, Evidential Standards have been developed and agreed with police in order to improve the quality of the files submitted to the PPS. These standards provide guidance to police officers as to the constituent elements of commonly-encountered offences, and also sets out the requirements of the PPS in terms of the evidence needed to prove those constituent elements.

Advocacy

Advocacy Standards

Training continues to play an important role in maintaining the quality of our advocacy. During 2016, 3 Public Prosecutors attended the Law Society's Advanced Advocacy Course.

Higher Court Advocates

The PPS continues to use in-house prosecutors as advocates in the Crown Court. Three Higher Court Advocates (HCAs) are currently in post. During the year, a total of 207 Crown Court briefs were issued to the HCAs, compared with 194 during the previous year.

Panel Counsel Scheme

In 2009, the Service established a Panel Scheme for the instruction of external counsel, both junior and senior. A refresh of the junior panel was taken forward in 2015, via an open competition, and a new panel appointed. The panel continued to operate effectively during 2016-17.

The Service no longer operates a senior panel as the small numbers of counsel available are considered to be too operationally restrictive in terms of briefing.

Strategic Priority 2: Building the trust of victims, witnesses and the community we serve

Objective 2.1:

To meet our commitments under the Victim Charter, providing victims and Witnesses with the information and support they need.

Services to Victims and Witnesses

Victim and Witness Care Unit

Previous reviews of the VWCU have been led by the PPS Business Improvement Team (BIT). Whilst the BIT has highlighted a number of potential enhancements, for example in terms of process design and ICT functionality, the overall findings have indicated that the Unit is operating effectively.

The key issue for 2016-17 was to ensure that the Unit is staffed at the right level, given the changing operating environment, which has included the introduction of the Victim and Witness Charters. In January 2017, the BIT commenced a detailed resource analysis which considered the various functions of the Unit, the tasks performed by the Case Officers (Administrative Officers - AOs) and the time required. The analysis has shown that the current staffing of the Unit remains appropriate.

The performance of the Unit continues to be reviewed by the VWCU Operations Board on a regular basis.

Registered Intermediaries Scheme

The PPS has continued to support the Registered Intermediaries (RI) Scheme. Representatives from the Service attend the RI Users Group meeting on a monthly basis. A key issue for the Group has been the evaluation of the latest phase of the scheme.

The RI scheme has now been extended to the Magistrates' Courts, commencing in April 2017, on the basis of a 12 month pilot.

Track My Crime

The new PPS online victim information portal, known as 'Track My Crime', was launched in November 2016. The system is based on an initiative developed by the Ministry of Justice in England and Wales and is intended to provide victims of crime with access to and information around the progress of their cases on a 24 hour basis. This information includes updates at key

stages of the process, such as when the prosecution decision has been taken, or where applicable, a suspect has pleaded guilty.

The system will also be used to send ad hoc updates from VWCU Case Officers to victims and witnesses at various points during the progress of a case.

The launch of the Portal was later than planned. This was in order to allow for additional technical / user acceptance testing.

Victim and Witness Policy

The PPS has taken forward a review of its Victim and Witness Policy. The revised policy, which takes on board the requirements of the Victim Charter, was issued for public consultation in June 2016. The Service has considered all comments made by consultees and it is anticipated that the final policy will be published in early summer 2017.

Victim and Witness Task Force

The PPS is a member of the interagency Victim and Witness Taskforce (VWTF) and has continued to contribute to the 'Making a Difference' Strategy.

Hate Crime

In August 2016, the PPS published detailed statistics in relation to the prosecution of cases involving hate crime during the 2014-15 and 2015-16 financial years. The coverage of these statistics included details of enhanced sentences imposed in cases aggravated by hostility.

Requests for Review

During 2016-17, 105 requests for review of a prosecution decision were made by victims of crime, 3 of which resulted in the original decision being changed.

Review by Sir Keir Starmer QC

In October 2014, the Director announced that a leading human rights lawyer, Sir Keir Starmer QC, was to conduct an independent review of three interlinked cases involving sex abuse and terror-related charges. The review, which encompassed all aspects of the prosecution of these cases by the PPS, was published in May 2015. The PPS responded to the review's recommendations by way of a detailed action plan.

In October 2016, the Director invited CJI to carry out a review to assess the effectiveness of the PPS's response. CJI has identified a number of areas for improvement which are now being taken forward by the PPS.

Witness Expenses

PPS is responsible for the payment of expenses to prosecution witnesses arising from their attendance at court in respect of proceedings to which they have been summoned. The rates of witness expenses payable are equivalent to those paid by the Crown Prosecution Service in England and Wales. Total PPS witness expenses for 2016-17 were £313k, compared with £218k in 2015-16. It should be noted that the relatively low level of expenses payable in 2015-16 was mainly the result of the withdrawal of defence services by the Bar Council and Law Society in response to the new Crown Court legal aid fee scheme introduced by the Department of Justice.

An amended court witness expenses policy was released for public consultation in December 2016. The revised policy sets out the PPS's position with regard to inviting and supporting members of the public as victims and witnesses in the prosecution of crimes and reimbursing their expenses. The document has been drafted in compliance with victims' rights as set out in the EU Victims' Directive and the Victims' Charter.

Consultation responses have been considered and the revised policy is due to be published in its final form during autumn 2017.

**Objective 2.2:
To improve public confidence by engaging effectively with stakeholders and the wider community.**

Communications Project

Work on a new PPS Communications Strategy, website and intranet is ongoing. The focus for 2016-17 has been on the 'discovery' phase of the work. This is to try to better understand the communication needs of the PPS internally, and all external stakeholders, including partner agencies and victims and witnesses.

Over 50 staff contributed to a series of communication workshops held in early 2017 in Belfast, Newry and Foyle where, among other issues, the Service's key audiences were identified. A series of workshops for external audiences were also held, which included contributions from communication and operational stakeholders in the DoJ, PSNI, NICTS and other partner agencies. There was also a roundtable event for groups representing victims and witnesses.

The findings have been shared with the senior management team, as well as with staff from across the organisation who participated in the workshops.

Outreach Programme

Over the course of 2016-17 a series of interagency and outreach events and activities were conducted across the PPS. These included:

- Meetings with victims and witnesses and representative groups.
- Participation in multiagency events and working groups.
- Presentations to voluntary organisations on the role of the PPS.
- Meetings with local elected representatives including MPs and MLAs.
- Media interviews.
- Participation in Business in the Community initiatives.
- Representation at the Belfast Pride and Mela Festivals.
- The hosting of foreign delegations. For example in March 2017, the PPS hosted a delegation of judges and prosecutors from Japan who were on a fact-finding tour of the UK and Ireland.

- Participation in seminars and conferences locally, nationally and internationally which has included presentations by members of PPS staff.
- Provision of work experience to school and university students.

Complaint Handling

Complaints Dealt with in 2016-17

The PPS has a three tier process for handling complaints regarding service delivery. In the first instance complaints are referred to the relevant regional office and will normally be considered by the Regional Assistant Director. The majority of complaints are satisfied at this early stage, and the matter goes no further. Where it is not possible to resolve a complaint at this initial stage, it can be escalated for consideration by a member of the senior management team.

There is also an Independent Assessor of Complaints (IAC) for the Public Prosecution Service. The role of the IAC is to review a complaint where the complainant is not satisfied with the way in which the PPS has decided to deal with the matter. The IAC can investigate only after the case has been considered by the PPS, and if it is not primarily prosecutorial in nature. The current post holder, Mr Alan Henry OBE, was appointed in June 2013.

During the year, a total of 66 complaints were received by the PPS, a similar level to 2015-16 (67). Three of these complaints were fully upheld and a further 14 upheld in part.

As part of his review of activity for 2016-17, the IAC has carried out an audit of all complaints dealt with by the Service over the year. The IAC's latest annual report will be published on the PPS website which also contains previous reports and further information on the complaint handling process.

Working Arrangements with Partner Agencies

Participation in CJSNI Working Groups

PPS is involved in a wide range of interagency working groups, all designed to improve the efficiency and effectiveness of the criminal justice system, and to ensure that all key interests are represented and considered during policy development and implementation.

Proceeds of Crime

During the year, the PPS continued to build effective working relationships with those criminal justice investigative agencies which have a particular focus on proceeds of crime issues, including restraint and confiscation. Representatives from PPS actively participate in regular meetings of the Organised Crime Task Force (OCTF), including the Strategy Group and the various subgroups within the OCTF.

During 2016-17 a total of 44 confiscation orders were granted by the courts, with a value of £1,974k. This compared with the total of 45 orders granted during 2015-16, with a value of £1,962k.

Strategic Priority 3: Strengthening our capability to deliver

Objective 3.1:

To provide value for money through the improved management of resources and the development of our resource planning.

Financial Management

Details of the PPS's financial management, including performance against the agreed savings delivery plans, are presented at pages 34 to 36.

Account NI

Account NI provides an integrated Resource Accounting and Budgeting System for all NICS Departments. PPS joined Account NI on 2 July 2012.

Information and Communications Technology (ICT)

During the financial year, there has been ongoing investment in ICT systems, including the Case Management System (CMS) which supports the PPS's business processes.

The Service is exploiting the benefits offered by digital working. The Causeway System already provides for electronic sharing of information between the main criminal justice organisations in Northern Ireland. However, once a decision is taken to prosecute by the PPS, under current arrangements a paper file must still be printed and transported for use at court. Pilots in Ballymena and Coleraine Magistrates' Courts were carried out during 2016 to trial a new electronic case file application which is running on secure tablet PC devices. These devices, which are taken into court by PPS staff, should significantly reduce the requirement for paper files. The initiative should also generate financial savings due to a reduction in courier costs.

Based on the outcome of the pilots, the PPS decided to implement the system across the PPS regions. This commenced on a phased basis in October 2016 in Belfast Youth Court, and it is anticipated that the rollout will be completed by late 2017.

In addition, a range of CMS and Causeway enhancements have been progressed, including a detailed specification in support of committal reform, enhancements to functionality supporting the implementation of prosecutor summonses and the development of the new Track My Crime facility.

Sustainable Development

As part of the 'green housekeeping' agenda, the Service continues to promote and encourage the three key tenets of sustainability – reduce, reuse and recycle. This has seen an increase in support and contribution towards all three areas across the organisation.

This has led to a reduction in the amount of waste going to landfill, and a corresponding increase in the proportion of waste being recycled. The Service continues to explore opportunities to maximise recycling opportunities including better segregation of waste.

The Service's maintenance, procurement and offsite storage contracts are managed centrally through the Central Procurement Directorate within DoF. Sustainable development is factored into the establishment of all contracts.

Reduction in energy usage is carefully managed and monitored across the PPS estate by use of the Building Energy Management Systems in each property. The closure of PPS properties in 2016 has significantly reduced energy consumption, and hence our carbon footprint.

Objective 3.2

To strengthen our accountability as a non-ministerial department by developing and maintaining a transparent and effective governance framework.

Corporate Governance – Revised Board Structures

A review of the Service's board structures has been carried out in order to consider the impact of the Transformation Programme and other organisational changes. The outcome of the review was reported to the Management Board in May 2017 and revised structures (including terms of reference) will be submitted to the Board for approval in June 2017.

Further details of these changes are presented at page 42.

Security Policy Framework

Information Assurance

An overarching Information Assurance and Risk Policy is in place that links all the Service's information assurance policies and procedures and sets out the governance structure.

The Service is committed to improving its information assurance capability and ensuring that arrangements are driven by the Cabinet Office Security Policy Framework (SPF), the Data Protection Act and issues identified in PPS Information Risk Registers. The PPS has recently established a Security Managers' Forum as a means of ensuring consistent best practice in all aspects of security and information assurance in PPS.

Business Resilience

There were no major business continuity incidents during the year. The PPS business continuity policy is to be revised during 2017-18, based on the new office structure.

During this year, Internal Audit carried out a review of the business continuity capability of the Victim and Witness Care Unit. A satisfactory rating was achieved.

Disability Action Plan

The Service's Disability Action Plan (DAP) covered a one year period to 31 March 2017. The plan set out a range of actions through which the Service would seek to implement its disability duties in areas such as victim and witness services, partnership working, communication and staff training. Issues addressed during 2016-17 included the provision of disability awareness e-learning training to staff and disability legislation training to the members of the Management Board.

Equality Scheme

The Service published a detailed Equality Action Plan for 2016-17. Key objectives achieved during the year included the publication of PPS hate crime statistics and the ongoing support provided to the Registered Intermediaries Scheme.

The Annual Progress Report on Section 75 of the NI Act 1998 and Section 49A of the Disability Discrimination Act 1995 (as amended) was sent to the Equality Commission in August 2016.

Strategic Priority 4: Building the capability of our people

Objective 4.1

To inspire our people and promote a culture of continuous improvement.

Following the restructuring of the Service, the agreed full time equivalent (FTE) capacity of the Public Prosecution Service is 486. As at 31 March 2017 the overall FTE was 459.6 and there were 483 staff employed. In addition there were 20 temporary staff in post.

It should be noted that the full time equivalent staffing figure at 31 March 2016 was 457.9.

The Service's 2016-17 recruitment programme involved the use of external recruitment and elective transfers. A total of 22 persons have been recruited during the year. Twenty two staff left the PPS as a result of elective transfers, retirement and temporary contracts coming to an end.

Performance Management

The NICS People Plan sets out clear commitments for all Departments in relation to performance management and the activities that will deliver on those commitments.

Learning and Development

The Service's Corporate Training Plan for 2016-17 was built around the training needs which were identified by senior management in consultation with the Departmental Training Unit. Throughout the year, the Training Unit ensured that generic training needs were addressed and delivered to the required standard.

In addition to generic training delivered by the Centre for Applied Learning (CAL), a wide range of specialist training was procured and delivered to staff. Staff also made use of the PPS Assistance to Study for Adult Further Education programme and participated in the NICS Mentoring Scheme.

A total of 514 training days and 145 training events were attended by PPS staff. In addition seven e-learning packages were rolled out to staff.

Investors in People

In September 2016, the PPS achieved reaccreditation under the Investors in People (IiP) Standard.

The IiP assessors met with senior management to formally feed back their findings, which were informed by the views of nearly 50 staff members who were interviewed during the assessment phase.

The IiP Working Group, chaired by the SAD for Resources and Change, has worked to ensure that the assessor's recommendations are addressed.

Working within the NICS

During 2015 the NICS Board agreed that Human Resource (HR) related functions across the NICS should be centralised in a single organisation. The rationale for doing so was to encourage a more corporate approach to addressing HR priorities in a way that supported the delivery of the Executive's Programme for Government. As a result a team was established in October 2015 to take the centralisation project forward. Some HR staff within the PPS working on operational HR functions transferred to the new centralised function known as NICS HR when it launched on 3 April 2017. This is being taken forward as part of a 3 year change programme which will include a focus on enhancing the role of line managers in managing and developing people. Training, support and guidance will be provided to line managers as the changes are implemented.

As a non-ministerial department, PPS will continue to fully engage with NICS HR on HR matters through regular meetings with Strategic Business Partners.

Health and Safety

The PPS is committed to adhering to the Health and Safety at Work (NI) Order 1978 and all subordinate legislation to ensure that staff and service users enjoy the benefits of a safe environment.

Throughout the year, a range of health and safety assessments were carried out, not only on an individual basis, but in relation to buildings and various facets of the work within the PPS. A number of minor accidents were also investigated over the course of the year.

TUS Consultation

The PPS has agreed consultation arrangements with the Northern Ireland Public Service Alliance (NIPSA) and the First Division Association (FDA), and meets formally several times per year to enhance employee relations, to increase outcome efficiency and promote the well-being of staff.

Corporate Social Responsibility

The PPS continued to work in partnership with Business in the Community (BITC) to promote and deliver the various challenges and volunteer projects as set out in the Employee Engagement Action Plan. During 2016/17, PPS staff have volunteered to help local organisations in a range of practical activities, for example by assisting with gardening projects on behalf of the Camphill Residential Group which supports people with learning disabilities. In addition, staff have taken part in a variety of events such as 'Link & Learn' sessions covering subjects such as Mindfulness, Yoga and Personal Finance. A further eight staff have registered to participate with schools until June 2017 in the Time to Read scheme, which aims to encourage children to read and to provide support where necessary.

Business Improvement Team

During the year a number of efficiency and effectiveness reviews have been carried out by the PPS Business Improvement Team. Activity has included a resource analysis of the VWCU and a review of key administrative / operational processes.

The Team has also provided ongoing consultancy support for the TWG and the various Justice Act initiatives.

Performance Analysis

Management of Corporate Performance

Role of the Management Board

The PPS Management Board supports the Director in his leadership of the PPS and in reaching decisions on the strategic direction of the Service. At present the Board receives standing information for each meeting on key areas of performance including achievement against agreed key delivery targets and financial data.

The Service Delivery Committee, chaired by the SAD for Serious Crime and Regional Prosecutions, supports the Board in meeting key organisational performance standards and targets. Matters considered include case progression and issues arising from the quarterly performance and accountability meetings (see below). Key financial and resourcing issues have been discussed by the People and Resources Committee, chaired by the SAD for Resources and Change.

Details of the Board's activity, and the various committees of the Board, are set out within the Governance Statement.

Performance and Accountability Meetings

Performance and accountability meetings (PAMs), led by the Deputy Director, are held on a quarterly basis. The PAMs framework commenced in 2014-15 and involves all Assistant Directors and their key personnel. Issues discussed during PAMs include:

- The steps being taken to address any deficits in performance identified via the Service's key performance measures and other performance reports.
- Details of business plan objectives which were not being met or where there has been significant slippage.
- Matters which may impact on the future performance of the Region / Section (for example, resource changes or potential increases in workload).
- Key operational or legal matters, such as the conduct of high profile cases and legal quality assurance.
- Updates on any action points agreed at previous meetings.

Production of performance information

All statistical and financial information is provided by professionally qualified teams within Corporate Services. For example, all casework and performance statistics are provided by statisticians from NISRA, seconded to the PPS. Information is extracted from the PPS Case Management System (CMS), the bulk of which are received via Causeway from CJSNI partners. Financial information is provided in accordance with the Government Financial Reporting Manual, Managing Public Money NI and guidance from the DoF. All transaction records are provided from the Account NI shared service system.

Performance against Key Delivery Targets during 2016-17

Background

The PPS Annual Business Plan for 2016-17 set out how the PPS's objectives were to be taken forward and included a total of 21 key delivery targets against which the performance of the Service was to be measured. These targets spanned the four PPS strategic priorities (see above).

Details of the Service's caseload and performance for the year are set out below, including information in respect of longer term trends where appropriate.

A summary of the Service's achievement against the agreed key delivery targets is presented at Annex B.

Caseloads

The volume of files received over the last two financial years has been broadly similar, with a total of 43,946 in 2016-17 and 43,914 in 2015-16.

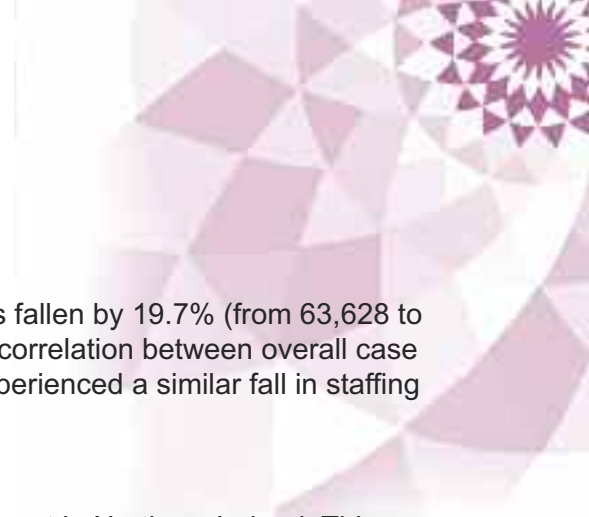
Over previous years, there had been a steady decline in file numbers, the current volume representing a decrease of 17.5% on the 53,271 cases received in 2011-12. This trend was largely the result of a fall in less complex summary cases, for example involving motoring offences, minor disorder and lower value retail theft. Many such offences are now being dealt with directly by PSNI by way of Penalty Notices for Disorder (PND) or Community Resolution disposals.

Whilst there has been a reduction in the volume of files received over the longer term, numbers in the most serious case categories have been sustained. The overall number of cases received by the regions in 'case weight' categories 1 – 4 (including homicide, sexual offences, serious fraud / dishonesty and other serious offences), and which are normally dealt with by Senior Public Prosecutors, was 4,095. This compared with 3,962 in 2015-16, 3,921 in 2014-15, 3,529 in 2013-14, 3,926 in 2012-13 and 4,132 in 2011-12.

Decisions Issued

Just over 51,000 prosecutorial decisions were issued by the Service during 2016-17, which included 1,692 decisions for prosecution on indictment (i.e. in the Crown Courts) and 29,303 for summary prosecution (i.e. in the Magistrates' Courts).

The Evidential Test for Prosecution was met in the majority of cases considered by public prosecutors during 2016-17. Of the 51,070 persons subject to a prosecutorial decision, nearly seven-tenths (69%) were issued with a decision for prosecution or for diversion from the courts. This was a similar outcome to the previous year (70%).



Over the period from 2011-12, the volume of decisions issued has fallen by 19.7% (from 63,628 to 51,070), broadly mirroring the decline in case receipts. While the correlation between overall case numbers and staff requirements is not absolute, PPS has also experienced a similar fall in staffing over this period.

Persons Dealt with at Court

During 2016-17, 2,250 defendants were dealt with in the Crown Court in Northern Ireland. This was a significant increase on the previous financial year (1,026). The lower level of cases during 2015-16 was mainly the result of the withdrawal of defence services by the Bar Council and Law Society in response to the new Crown Court Legal Aid Scheme introduced by the Department of Justice. As a result no new cases were conducted in the Crown Court over the period May 2015 to February 2016. This placed significant pressures on the PPS and its partner agencies in the early months of 2016-17 as the backlog of new cases built up during 2015-16 had to be managed as expeditiously as possible. It is worth noting that 1,881 defendants were dealt with in the 2014-15 financial year.

The overall conviction rate in the Crown Court during 2016-17 remained high at 86.4%. The equivalent figure for 2015-16 was 81.6%.

In the Magistrates' Courts, 28,128 defendants were dealt with during 2016-17, a decrease of 2.1% on the previous year (28,726). The conviction rate during 2016-17 at 78.9% was similar to 2015-16 at 78.8%.

Quality Assurance

Dip Sampling

A key component of the PPS's legal quality assurance arrangements is the dip sampling of cases by Assistant Directors against the Service's Prosecution Quality Standards (PQS), introduced in 2015. PQS provides for a number of in-depth reviews to be carried out on a monthly basis, covering a total of 19 questions on topics such as the quality of advice to police, the conduct of disclosure and the standard of services delivered to victims and witnesses. All cases for dip sampling are selected independently by statisticians from the Northern Ireland Statistics and Research Agency (NISRA).

During the year, 287 cases were dip sampled under the PQS framework. An analysis of the findings has shown that the quality of decision-making remains high, with 97.9% of decisions assessed as having been taken in accordance with the Code for Prosecutors. This compares with a figure of 96.9% for the previous year.

No Bills and Acquittals by Direction

In addition to monthly dip sampling, senior managers have reviewed a range of serious cases in the Crown Court where there has been a No Bill or an acquittal by direction.

During 2016-17, a total of 8 No Bills (all charges) were granted and there were 12 acquittals by direction. Both the numbers of No Bills and Acquittals by Direction were within the targets set for the year (not to exceed 26 and 23 respectively).

Review of Charges

The PPS target is to review 90% of charge sheets in 28 day charge cases within at least 3 working days of first appearance at court. Overall performance during 2016-17 was just below the target, at 88.9%. The target was met in both the Foyle and Newry regional offices, but not in Belfast. This was largely the result of resource pressures relating to the number of available Public Prosecutors in the Belfast and Eastern Region.

Overall performance during 2016-17 represents an improvement on the previous year (86%).

Timeliness of Decisions

Performance in respect of the timeliness of prosecutorial decisions is monitored by senior management on an ongoing basis. The PPS's Annual Business Plan for 2016-17 included 10 timeliness targets, covering the issue of indictable prosecution decisions, summary prosecution decisions, diversionary decisions and no prosecution decisions. Of the 10 targets, 9 were achieved (see Annex B).

The target which was not met related to one of the two targets agreed for indictable prosecution decisions, reflecting the most serious categories of case considered by prosecutors. Performance against the target, to issue 80% of indictable decisions in 180 days, stood at 75.8%.

The impact of the Voluntary Exit Scheme has been a significant factor in this regard, having resulted in the loss of 79 legal and administrative staff, including a number of the PPS's most experienced Senior Public Prosecutors. Senior Public Prosecutors deal with the bulk of the serious casework submitted to the Service. The need to mentor replacement personnel (typically Public Prosecutors on temporary promotion) has caused additional resource pressures. The new Serious Crime Unit, which deals with all homicides and serious sexual offences, has also faced pressures on workloads during a bedding-in period. The senior management team continues to monitor performance on an ongoing basis, seeking to address regional resource pressures as they arise. It is anticipated that a resource evaluation of the Serious Crime Unit will commence in the autumn.

The time taken for responses by Police to Decision Information Requests (DIRs) continues to be a key issue in the time taken to issue decisions, particularly in more serious cases; over half of the indictable prosecution decisions issued by PPS during 2016-17 required one or more DIRs.²

Public Confidence – NI Omnibus Survey

On an annual basis the PPS commissions questions for inclusion in the Northern Ireland Omnibus Survey, which is carried out by NISRA's Central Survey Unit. A total of seven questions were included in the 2016 survey to gauge public awareness of the PPS and its role. Key results were as follows:

- Just over seven-tenths (71%) of those who had heard of the PPS were very or fairly confident regarding the fairness and impartiality of the Service. This compared with 74% in 2015, 71% in 2014 and 68% in 2013.
- 65% of respondents were very or fairly confident that the PPS is effective at prosecuting people accused of committing a crime. This was a similar outcome to 2015 (67%).

² A Decision Information Request (DIR) is issued by PPS to police where the evidence and information contained in an investigation file is incomplete and a further written report or action from the police is required.

The results of the survey, which were published in July 2016, have been considered by senior managers and will help to inform the development of PPS policy.

Sustainable Development

Details of the Service's sustainability activity are presented at page 25.

Payment of Suppliers

PPS is committed to the prompt payment initiative which sets out a target for Northern Ireland Departments to pay 95% of external supplier invoices within 30 working days of receipt of valid invoices. PPS payment processing is now conducted by Account NI and performance is monitored monthly. For the year to end March 2017, PPS paid 97.5% of invoices within 30 working days, and therefore the target was met. The equivalent performance for 2015-16 was 98.3%.

The Service had also set a target for 80% of purchase orders to be compliant with Account NI procurement guidance. The outcome for the year was 95% which was a significant improvement on 2015-16 (72.4%). A programme of refresher training was carried out during the year.

Freedom of Information

During the year, a total of 74 requests were dealt with under the Freedom of Information Act. All requests were dealt with within the required time limit of 20 working days.

Complaints

Targets in this area relate to the acknowledgement of complaints (95% within 5 working days), and the completion of complaints (95% within 20 working days). In 2016-17, performance in acknowledging complaints was above the required level at 99%. However the percentage of complaints completed in 20 days was just below the required level at 93%. In both instances there was a substantial improvement on the previous year (90% and 81% respectively). Further efforts will be made to improve completion times during 2017-18.

Sickness and absenteeism

An average of 12.0 working days were lost per whole time equivalent member of staff during 2016-17. The equivalent figure for 2015-16 was 11.1 days.

Long-term sickness is also monitored. The PPS's long-term frequency rate in 2016-17 was 13.6% which compared with 11.5% in the previous year.

During 2014-15, the PPS had recorded the lowest level of sickness absence across all NICS departments (8.2 days on average). The increase during 2015-16 and 2016-17 is in line with the overall NICS trend, and can be attributed to a number of factors, including the impact of the VES and the effects of restructuring across the NICS.

Financial Performance during 2016-17

A reconciliation of the resource expenditure as declared within the Estimates, Accounts and Budgets has been provided below. The reconciling items are consolidated fund extra receipts in the Statement of Comprehensive Net Expenditure and voted expenditure outside the budget, in respect of the notional audit fee due to the Northern Ireland Audit Office and a notional charge from the NICS Welfare Support Service.

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2016-17 £000	2015-16 £000
Net Resource Outturn (Estimates)	35,488	38,073
Adjustments:		
Non-Voted Expenditure in the resource account	(397)	-
Net Operating Costs (Accounts)	35,091	38,073
Adjustments:		
Voted Expenditure outside budget	(55)	(38)
Resource Budget Outturn (Budget)	35,036	38,035
of which:		
Departmental Expenditure Limits (DEL)	34,076	37,912
Annually Managed Expenditure (AME)	960	123

Statement of Assembly Supply

As a non-ministerial Department the PPS is financed directly from the Northern Ireland Consolidated Fund through the supply process operated by the Department of Finance (DoF).

Each year the PPS is given approval for its expenditure when the NI Assembly votes the Main and Supplementary Estimates. As set out in the Statement of Assembly Supply, the Department was voted a substantially reduced Resource Estimate Provision of £32,631k for 2016-17 (£38,930k for 2015-16). Details of the PPS Estimate are available from the DoF website. Due to the dissolution of the Assembly, the Spring Supplementary Estimate was not approved during 2016-17 and hence outturn is compared to the Main Estimate in the accounts and does not reflect in-year monitoring round movements.

The PPS outturn for 2016-17 was £35,488k (£38,073k, 2015-16) as shown in the Statement of Assembly Supply which is £2,857k higher than the net resource limit. This variance against the main estimate can be categorised as: £831k due to a loss on disposal of IT equipment, furniture and fixtures and fittings, primarily on the closure of buildings. £1,629k was in respect of increased levels of expenditure on the fees of external counsel partly as a consequence of the 2015-16 withdrawal of services by the defence which have then been prosecuted in 2016-17; and £397k from receipts which are due to the consolidated fund in the absence of a Spring Supplementary Estimate.

This represents excess expenditure of £2.8m above the amount provided in the Main Estimate. If the Spring Supplementary Estimate had been agreed the Estimate provision would have been £36m, resulting in an overall underspend of £0.9m for the year. The breakdown of the underspend can be split by function to show an underspend in AME of £1.4m mainly due to a provision not required in relation to leases and an excess in DEL of £0.5m in relation to counsel fees.

The absence of a Spring Supplementary Estimate led to a technical excess vote for the PPS of £2.8m. DoF determined that operational budget management for Departments is to be measured against the December budget position and this has also resulted in an DEL operational excess vote for PPS of £543k.

This is further discussed under the Statement of Assembly Supply at page 68.

The net cash requirement of the Department, at £35,273k, was £1,386k more than the Assembly limit as set out in the Reconciliation of net resource outturn to Net Cash Requirement (SOAS 3). While the Minister of Finance had approved the additional cash allocation for PPS this was not reflected in the Estimate and hence appears as a technical excess.

Statement of Comprehensive Net Expenditure

The Statement of Comprehensive Net Expenditure represents the total net administrative and programme resources consumed. The costs during 2016-17 were £35,091k (2015-16, £38,073k) and included income of £478k (2015-16, £464k) as analysed at note 4. Staff costs have fallen by £3.4m mainly due to the impact of VES in 2015-16. There have also been savings of £800k in running costs and rentals for buildings but a corresponding loss on disposal for the write off of furniture, fixtures and fittings at closed offices. The main reason for the increase in costs in 2016-17 is an increase in Counsel Fee costs of £915k. The financial operating performance of the Department has been considered in detail under Long Term Expenditure Trends.

Statement of Financial Position

The Department was in a net equity position of £1,083k at 31 March 2017 (£2,773k as at 31 March 2016). Total assets comprised property, plant and equipment, intangibles, trade receivables and cash of £9,917k (£10,553k as at 31 March 2016). The Department had net liabilities and provisions of £8,834k (£7,780k as at 31 March 2016).

Incentivisation

The PPS is an approved recipient of incentivisation receipts under the DOJ's Asset Recovery Incentivisation Scheme, and as such is eligible for 22.5% of funds recovered from confiscations secured on conviction under the Proceeds of Crime Act 2002. Incentivisation receipts totalled £613k in 2011-12, £245k in 2012-13, £346k in 2013-14, £718k in 2014-15, £364k in 2015-16 and £376k in 2016-17. The funding received during 2016-17 has contributed to a number of initiatives, including PPS projects supporting advocacy monitoring, advocacy training and IT infrastructure improvements.

The realisation of cash has become increasingly difficult in the current economic environment and therefore these amounts are not easy to forecast. Depending on the timing of receipts, these funds can also be difficult to use effectively as they are not subject to automatic End of Year Flexibility.

Payment of Counsel Fees

The DoJ introduced the Legal Aid for Crown Court Proceedings (Costs) (Amendment) Rules (Northern Ireland), which came into effect on 5 May 2015 reducing the level of legal aid payments and led to the decisions of the General Council of the Bar of Northern Ireland and the Council of the Law Society of Northern Ireland to withdraw Crown court criminal defence services in protest against the new rules.

The PPS introduced a new fees payment scheme for external counsel on 3 August 2015 which broadly aligned PPS fees with the DOJ rates introduced in the Crown Court for the defence. Due to the withdrawal of defence services however, new work in the Crown Court effectively ground to a halt, with cases being adjourned and listings pushed back. The profession was given leave to judicially review the DoJ scheme but both parties moved to mediation and a negotiated settlement led to a revision of the rates. PPS was forced to mirror these rates in order to ensure parity of representation between the victim of the crime and the defendant.

The matter was not resolved until February 2016 and resulted in reduced counsel fees spend for 2015-16. The resultant impact in 2017-18 has been an increase in costs as backlogs have been caught up in the courts.

Future Developments

The main factor influencing the future financial performance of the PPS will be the need to achieve a sustainable future budget baseline. The PPS will complete implementation of savings planned under the Transformation Programme and will seek to identify further opportunities to deliver operational efficiencies.

Long-term Expenditure Trends

Expenditure analysis has been provided below for 2016-17, and 3 prior years. The following exceptional items occurred during the 2016-17 year:

- Counsel fees increased by approximately £1m 2016-17. This was primarily as a result of increased activity in the Crown Court in trying to clear a back log of cases following the withdrawal of defence service, on the introduction of reduced legal aid fees, in 2015-16.

The majority of PPS expenditure is programme in nature and focused on front line service delivery. Administration costs relate to the salaries and office costs for corporate services support functions. Total staff costs have reduced in 2016-17 as a result of reduced staff numbers following the restructuring of the organisation in 2015-16 and the voluntary exit programme.

The majority of PPS income is derived from Incentivisation funds generated from the realisation of assets confiscated on successful prosecutions under the Proceeds of Crime Act. Income is distributed to eligible parties under the Asset Recovery Incentive scheme. It is recognised on a receipts basis and is difficult to forecast.

Capital expenditure rose during 2015-16 and 2016-17 due to a programme of works to the PPS headquarters building, Belfast Chambers. These were necessary in order to facilitate centralising services at this site and the closure of other PPS offices. Where a building has been vacated by the Public Prosecution Service and is no longer in use, the residual valuation of fit out costs and furniture and fittings, has been judged as nil, the value written off as an impairment cost against the revaluation reserve and the balance expensed. As a result the loss on disposal increased in 2016-17.

Total Departmental Spending

	2013-14 Outturn £'000	2014-15 Outturn £'000	2015-16 Outturn £'000	2016-17 Outturn £'000
Resource DEL				
A-1: Public Prosecution & Legal Services	35,917	33,748	37,912	34,473
Total Resource DEL	35,917	33,748	37,912	34,473
Of which:				
- Income	(506)	(992)	(464)	(478)
- Staff Costs	21,116	19,858	23,987	20,611
- Including VES costs of:	-	-	2,847	-
- Purchase of goods and services	6,212	6,163	5,598	5,825
- Including counsel fees of:	5,282	4,993	4,777	4,929
- Rentals	1,982	1,862	1,917	1,681
- Other expenditure	5,517	5,486	5,460	4,899
Resource AME				
A-2: Public Prosecution & Legal Services	6,424	142	123	960
Total Resource AME	6,424	142	123	960
Of which:				
Borrowing costs (unwinding of discount)	124	142	123	117
Provision for legal liability	6,300	-	-	-
Other provision	-	-	-	843
Total Resource Budget	42,341	33,890	38,035	35,433
Of which:				
Depreciation	1,596	1,371	1,411	1,538
Loss on disposal	-	40	590	831
Capital DEL				
Acquisition of property, plant and equipment	459	237	1,171	1,408
Including costs for the enhancement of Belfast Chambers of:	-	-	864	479
Total Capital DEL	459	237	1,171	1,408
Capital AME	-	-	-	-
Total Capital AME	-	-	-	-
Total Capital Budget	459	237	1,171	1,408
Total departmental spending	42,800	34,127	39,206	36,841
Of which:				
- Total DEL	36,376	33,985	38,083	35,881
- Total AME	6,424	142	123	960

Administration Costs

Total administration budget	1,661	1,761	1,856	1,750
Of which:				
- Staff costs	1,322	1,422	1,540	1,603
- Rentals	140	150	147	77
- Other administration costs	199	189	172	70

Declaration

I confirm that this Performance Report reflects the position of the Public Prosecution Service for the year ended 31 March 2017.



Barra McGrory QC
Accounting Officer
22 June 2017

Part 2: Accountability Report



Corporate Governance Report

Introduction

The purpose of the Corporate Governance Report is to set out the composition and organisation of the PPS's corporate governance structures, and how they support the achievement of the Service's objectives.

The Report is made up of three sections, as follows:

- The Director's Report (page 41);
- A Statement of the Accounting Officer's Responsibilities (page 43); and
- The Governance Statement (page 44).

Director's Report

Accountability Arrangements

The PPS was established on 13 June 2005 by the Justice (Northern Ireland) Act 2002. The Service is headed by the Director of Public Prosecutions for Northern Ireland, Barra McGrory QC, who was appointed on 7 November 2011. The responsibilities of the Director are specified in the 2002 Act.³

Since the devolution of policing and justice to the Northern Ireland Assembly in April 2010, the PPS has been designated as a non-ministerial government department. Funding for the PPS is provided by the Northern Ireland Assembly through the biannual Estimate process (main and supplementary). Due to the dissolution of the Assembly, the Spring Supplementary Estimate was not approved during 2016-17 and this in turn has led to a technical excess vote for the PPS (see page 35).

As Accounting Officer for the Service, the Director of Public Prosecutions is responsible for ensuring that the public monies provided are used efficiently and effectively. All members of staff are Northern Ireland Civil Servants.

In May 2010 John Larkin QC was appointed as the Attorney General for Northern Ireland, as part of the devolved justice arrangements. The Justice (Northern Ireland) Act 2002 provides for the Director and Attorney General to consult with each other from time to time on any matter for which the Attorney General is accountable to the Northern Ireland Assembly. In accordance with the 2002 Act the functions of the Director shall be exercised by him independently of any other person.

At present a number of prosecutorial matters are reserved to Parliament at Westminster. Duties in respect of these matters are performed by the Advocate General for Northern Ireland, The Rt. Hon. Jeremy Wright QC, who is the Attorney General for England and Wales.

Management Structures

The PPS Management Board comprises the PPS Senior Management Team (Director, Deputy Director and two Senior Assistant Directors) and two independent members. The Board is assisted by the Audit and Risk Committee (ARC), the remit of which is to provide assurances to the Director that governance arrangements within the Service are operating effectively.

There are also a number of committees, which play key roles in the overall governance of the PPS (see organisation chart below). All committees are chaired by a Management Board member and have clear terms of reference, covering the scope of any decision-making and the reporting requirements for the Board.

Pension Liabilities

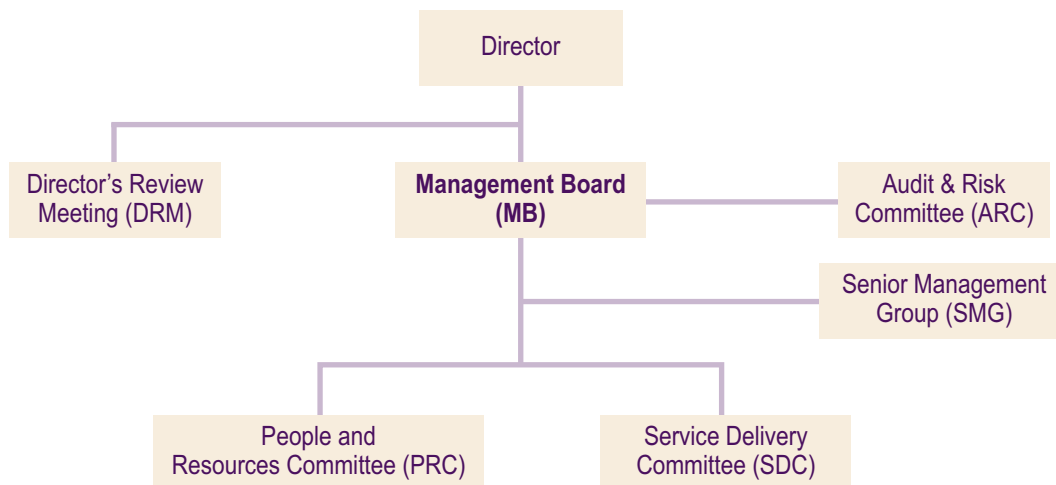
The treatment of pension costs and liabilities is disclosed in the Remuneration and Staff Report and in paragraph 1.7 of the Statement of Accounting Policies Note (Note 1 to the Accounts).

Remuneration of Auditors for non-profit work

During 2016-17 PPS did not purchase any non-audit service from its auditor, the Northern Ireland Audit Office.

³ In May 2017, Barra McGrory QC announced he will stand down as Director of Public Prosecutions. It is his intention to stay in post until a successor is appointed by the Attorney General for Northern Ireland in the autumn of 2017.

PPS Board / Committee Structure 2016-17



Details of the Management Board's membership and key activities during 2016-17 are set out later in this report (see 'Governance Statement', page 44). Information regarding the remit of the ARC and the Board's committees is also provided.

Corporate Governance

The PPS is committed to high standards in corporate governance. The policy of the PPS is to ensure that effective risk management processes are maintained which serve to improve the quality of decision making and the ability to deliver on strategic and operational objectives. The PPS risk management framework complements the current Corporate Plan, Annual Business Plans and financial management arrangements which together provide the systems to manage the Service's resources.

Register of Interests

All members of the Management Board are required to disclose significant interests or anything which may conflict with their responsibilities as Board members (see 'Governance Statement', page 44). A register of interests is maintained by the Service and conflicts of interest are declared at each Management Board meeting. Access to the register can be arranged by email request to info@ppsni.gsi.gov.uk or can be viewed on the PPS website at www.ppsni.gov.uk/publications/corporategovernance.

Personal Data Related Incidents

Full details of the personal data related incidents during the year are set out at Annex C. One incident was reported to the Information Commissioner's Office but no further action was taken.

Statement of Accounting Officer's Responsibilities

For the Year Ended 31 March 2017

Under the Government Resources and Accounts (Northern Ireland) Act 2001, the Department of Finance has directed the Public Prosecution Service for Northern Ireland (PPS) to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Service during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the PPS, and of the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Department of Finance, 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;

The Department of Finance has appointed the Director of Public Prosecutions as Accounting Officer of the PPS. 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 PPS assets, are set out in Managing Public Money NI issued by the Department of Finance.

Governance Statement

1. Introduction

As the Accounting Officer for the Public Prosecution Service (PPS), the Director is responsible for maintaining a sound system of internal control that supports the achievement of the Service's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which he is personally responsible.

This Governance Statement is a key feature of the PPS's annual report and resource accounts. It provides details of how the Accounting Officer has ensured the effective management and control of resources during 2016-17 and the action taken to ensure effective risk management and a high standard of corporate governance.

2. The PPS Governance Framework

The PPS governance framework aligns with the key principles set out in the Department of Finance's (DoF) guidance, 'Corporate Governance in Central Government Departments: Code of Good Practice NI' (2013). The Management Board has approved a corporate governance framework document which provides detailed information on the system of direction and control within the PPS. A copy of this document is available on the PPS website at www.ppsni.gov.uk.

The PPS's corporate governance arrangements comply fully with DoF's guidance, except in one regard. The guidance states that in non-ministerial departments, there should be an agreement as to which Minister(s) should answer for the department's affairs in the Assembly (paragraph 1.4). However, under current arrangements there is no agreement as to which Minister from within the NI Executive should answer for the PPS in the Assembly. Assembly Questions, which cannot be answered by any other Department, are therefore dealt with via correspondence with the MLA concerned.

3. The Management Board

The Management Board's objectives are to: set the strategic direction of the Service through the corporate strategic priorities and objectives; ensure accountability for the Service's performance; provide assurance that the organisation is managed effectively and that it provides Value for Money (VfM).

During 2016-17, the Management Board met on eight occasions. Members of the Board and individual attendance at Board meetings during the year were as follows:

Attendance at Management Board Meetings 2016-17

Board Member / Title	Number of Meetings Attended*
Barra McGrory QC Director (Chair of Management Board)	8
Pamela Atchison** Deputy Director	0
Ian Hearst Senior Assistant Director (SAD) Resources and Change	8
Stephen Herron SAD Serious Crime and Regional Prosecutions	7
Christopher Welford Independent Board Member	8
David Hughes Hallett Independent Board Member	8

* Excludes an additional planning event held on 26 January 2017.

** The Deputy Director was on a period of extended leave, prior to her retirement in March 2017.

The Management Board carries out its business according to an agreed operating framework which sets out the Board's objectives and remit, membership, responsibilities and procedures. This operating framework was last reviewed by the Board in February 2017.

All members of the Management Board are required to disclose significant interests or anything which may conflict with their responsibilities as Board members. A register of interests is maintained by the Board Secretariat.

Priority Issues for the Board during 2016-17

Funding

In June 2015 a final Savings Delivery Plan was submitted to DoF, setting out a radical Transformation Programme for the Service, which was designed to deliver savings of £3.5-4 million per annum by 2017-18. PPS has progressed implementation of the Transformation Programme during 2016-17 and has delivered £3.4 million of full year savings to date. The DoF recognise that PPS have undertaken all reasonable cost savings possible and have termed the Service an exemplar in budget management. During the year, discussions with DoF have focused on setting a sustainable future baseline for the Service.

The Assembly received a four year budgetary settlement for the NI Block in November 2015 but, in light of the elections in May 2016, determined that a one year budget should be set for 2016-17, and a three year budget negotiated thereafter with newly elected representatives. The advent of another election has resulted in a one year settlement for 2017-18 only. The Permanent Secretary of DoF was required to rely on contingency arrangements within Section 59 of the Northern Ireland Act 1998 and Section 7 of Government Resources and Accounts Act (NI) 2001 to ensure that Public Services continued to be funded in the event that a budget Act was not passed at least 3

days before the end of a financial year. This legislation permits the DoF to allocate both cash and resource to Departments to allow them to operate in the period of time between 1 April 2017 and the commencement of an Executive.

Transformation Programme

The Transformation Programme was established by the PPS Management Board to take forward a fundamental review of the delivery of the Service's functions, in the light of the proposed budget settlements for 2015-16 and the next Spending Review period. The Transformation Working Group (TWG) commenced in October 2014 in order to support the Board in the consideration of future operational structures and plans. A new model for the Service was formally signed off in September 2015.

At their planning meeting in January 2015, Board members had acknowledged that many of the necessary changes would only be achievable in the medium term. However the Board was forced to accelerate the Transformation Programme, with the new structures implemented in January 2016. The office closure programme was also moved forward. This was largely due to the impact of the NICS Voluntary Exit Scheme; the loss of staff through the scheme meant that there was a need to consolidate operations in order to ensure the ongoing delivery of the Service's core prosecution functions.

The Management Board subsequently tasked the programme managers with conducting an evaluation of the programme. A post-project evaluation report, outlining the high-level findings, was provided to the Management Board in January 2017. The report outlined annual savings of £2m following the reduction in staff through the VES programme, along with savings to date of approximately £1.46m due to the consolidation of office locations. These savings included £284k generated from the closure of Lisburn and Ballymena Chambers. Their vacant status also makes them more attractive as sublets which will generate a further £591k of savings per annum when fully achieved.

A range of other benefits were highlighted in the report including: an increase in capacity and flexibility as a result of the new briefing system for counsel in the Magistrates' Courts; the introduction of new processes for case management / case review; and new development opportunities for staff.

The report also reflected a number of key challenges to the Service including the loss of corporate knowledge as a result of the VES and pressures placed on staff due to the scale and pace of the changes. The senior management team is seeking to address resource pressures as they arise. Efforts are also being made to improve internal communication, for example via the monthly Core Brief.

NICS Grading Review of Legal Posts

In 2015 the NICS identified a need to establish the grading of all legal posts in the NICS and Crown Solicitor's Office. This was intended to ensure consistency in the approach to the grading of legal posts across departments, and to provide the NICS with a sound evidential basis for the resolution of grading issues which have been behind legal challenges brought against the NICS in recent years.

The review commenced in mid-2015 and examined a representative sample of posts within each department / business area. DoF's Corporate HR was responsible for the operation of the review, which was undertaken in full consultation with TUS. The grading assessments were carried out by

experienced job analysts from Beamans Management Consultants, in line with best practice and using the Job Evaluation and Grading Support (JEGS) and Job Evaluation for Senior Posts (JESP) methodologies as appropriate.

Initial findings from the review were published in November 2016. In January 2017, PPS produced a local management plan outlining the staff redeployment required to implement the findings at a local level, in order to minimise disruption to service delivery and to the affected staff. This included the redeployment of Grade 6 legal staff, the curtailment of temporary promotion arrangements and an exercise to recruit legal staff at Grade 7. As stated in the plan, all necessary resource changes were implemented in full by 31 March 2017.

Quality of the Data Used by the Board

At present the Board receives standing information for each meeting on key areas such as finance, human resources and performance. Briefing papers on other material issues are provided as they arise. All papers are issued a week in advance of any Board meeting to allow members to review and, where appropriate, to raise questions in advance. Representatives from the relevant business area can then be requested to attend to support discussions or be required to produce more detailed information in advance of the meeting.

All statistical and financial information is provided by professionally qualified teams within Corporate Services (see page 30). Accordingly the Board considers that it can take assurance as to the quality of the data it uses to inform decision making.

Board Evaluation

The Management Board operated effectively during 2016-17, fulfilling its role as set out above.

The Board undertakes an annual evaluation of its performance. The most recent evaluation was conducted in February 2017 and was structured around six key themes, including: Board size and structure; leadership; decision-making; performance monitoring and financial management; risk management and governance; and delegation and communication. All members were satisfied with the overall compliance of the Board in each of these areas.

The main issues raised by members were as follows:

- There should be greater ‘horizon scanning’, particularly with a view to keeping up to date with the latest developments in England and Wales and other jurisdictions.
- Assistant Directors or Heads of Branch should be invited to attend the Board on a more frequent basis, rather than relying only on written reports or submissions. This would assist in informing discussions and assessing options.
- Efforts should be made to raise the visibility of the Board members, following the success of the Board meeting / follow-up event held at Foyle Chambers in October 2016.

These matters will be addressed by the Board Secretariat, for example by the scheduling of future meetings in the regional offices.

Issues for the Board 2017-18

2017-18 Budget Position

The Northern Ireland Assembly was dissolved as from 26 January 2017 for an election which took place on 2 March, on which date Ministers also ceased to hold office. An Executive was not formed following the election within the period specified in the legislation. As a consequence, a Budget Act is not yet in place for 2017-18. In the absence of a budget for 2017-18 determined by an Executive, Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 provide for the Permanent Secretary of the Department of Finance to issue cash to departments from the NI Consolidated Fund. These powers are an interim measure designed to ensure that services can be maintained until such times as a budget is agreed and a Budget Act passed.

4. Committees of the Board

Audit and Risk Committee

The ARC functions in accordance with best practice contained in the Audit and Risk Assurance Committee Handbook (NI) (March 2014). It operates under agreed terms of reference which are reviewed annually. Meetings are attended by representatives of the Northern Ireland Audit Office and by the Head of Internal Audit. The remit of the ARC is to provide assurances to the Director that governance arrangements within the Service, including the management of risk, are operating effectively.

During the financial year, the ARC met on four occasions and dealt with a wide range of issues relating to internal control, risk management, governance and accountability. These included the consideration of:

- Risks reported by way of the corporate risk register;
- Corporate reputational risk;
- The quarterly statements of assurance;
- Internal audit work plans and reports;
- Information assurance;
- The annual report and resource accounts for 2015-16; and
- The NIAO's External Audit Strategy and Report to Those Charged with Governance.

During the year the ARC received regular updates from the Head of Internal Audit and the Northern Ireland Audit Office. The Committee also examined progress against previous audit reports and were satisfied that recommendations were being adequately addressed.

A report on key issues discussed at Audit and Risk Committee meetings was provided for each Management Board meeting by the ARC Chair. The ARC also completed its annual report for 2016-17, summarising the work of the committee and providing its opinion on the comprehensiveness and reliability of the assurances available to support the Board and, particularly, to support the Director in his accountability obligations.

The ARC provided the Accounting Officer with the following assurances:

- On the Annual Report and Resource Accounts it has reviewed;
- From the information provided it appeared that all significant risks were being proactively managed by the PPS's senior management team and that appropriate management controls were in operation;
- Issues pertinent to the 2016-17 Governance Statement, such as the budget settlement, were being managed appropriately; and
- On the quality of both internal and external audit, with their approach to the discharge of their respective responsibilities and the assurances that could be placed on their work.

Board Committees

The Board's committees play a key role in the governance of the PPS. During 2016-17 the Board operated three committees, as follows:

- Senior Management Group.
- People and Resources Committee.
- Service Delivery Committee.

The Senior Management Group (SMG)

SMG comprises the Deputy Director (as Chair) and the Senior Assistant Directors, and meets on a monthly basis. SMG's purpose is to ensure there is effective co-ordination and decision-making in respect of a range of PPS strategic performance, governance and policy issues, as well as effective communication between the Management Board, the PPS senior management team and the Board's Committees.

The SMG, met on 9 occasions during 2016-17 (excluding an extraordinary meeting on 24 November 2016) and considered a range of matters including the corporate risk register, strategic financial, performance and resource issues, the briefing of Counsel and procurement / business cases.

People and Resources Committee

The People and Resources Committee (PRC) is chaired by the SAD for Resources and Change, and considers the key financial and resource issues impacting on the Service. The Committee met on 10 occasions during 2016-17. The Committee examined a range of human resource issues, and provided oversight in terms of budgetary monitoring, procurement, health and safety and equality and diversity matters. Members maintained a particular focus on the Service's capacity and resource planning in the light of the Transformation Programme, the NICS Review of Legal Grading and ongoing budgetary constraints.

Service Delivery Committee

The Service Delivery Committee (SDC), chaired by the SAD Serious Crime and Regional Prosecutions, is responsible for driving improvement in front-line operations, including the effectiveness of case management arrangements, the delivery of agreed prosecution standards and the promotion of positive engagement with victims, witnesses and other stakeholders.

The Committee met on 9 occasions during 2016-17. The Committee monitored operational performance and explored issues which impact upon the effectiveness of front-line service delivery, identifying opportunities to make improvements.

Members were regularly briefed on work carried out in support of CJSNI initiatives such as Committal Reform, the new Indictable Cases Process and the Working Together Project with PSNI, and their impact on operational effectiveness.

All committees had clear terms of reference, covering the scope of any decision-making and the reporting requirements for the Board. At each meeting of the Management Board the respective committee chairs provided members with an overview of the main issues discussed. Full minutes of all committee meetings were also circulated to Board members.

Review of Board Structures

A review of the Service's board structures was carried out during 2015-16 in order to consider the impact of the Transformation Programme. Revised structures, which included the Service Delivery Committee, came into effect in April 2016.

As part of the amended terms of reference for the committees, it was agreed that an evaluation would be conducted at the end of the 2016-17 financial year. This was carried out during Quarter 4 of 2016-17 and the main issues highlighted were as follows:

- There is a need to provide for a greater focus on performance at operational level. At present the SDC is responsible for the review of operational performance, however the range of topics covered by the committee means that often there is insufficient time to discuss the key issues in the necessary detail.
- There is insufficient focus on policy development and quality assurance, and in particular on the prioritisation of the limited legal and administrative resources available in this area.
- There is some duplication in terms of the agenda items considered across committees and working groups, for example between the SDC and the Transformation Working Group which have a common membership.

Proposals have been developed to address these issues, which include the implementation of a new Policy and Quality Committee (PQC). Under the new framework the SDC will be replaced by a Performance and Delivery Committee (PDC), which will concentrate on corporate performance matters. It is anticipated that the new arrangements will take effect from September 2017, subject to Management Board approval.

5. Risk Management

The PPS risk management policy sets out the framework for the management of risk and promotes a consistent approach across the Service. The Director, supported by the PPS Management Board, has overall responsibility for ensuring that an effective risk management process is established, for agreeing the Service's Risk Management Framework and for defining its risk appetite.

The Senior Management Group undertakes regular and detailed oversight of the key corporate risks and the Service's risk management capability. Assistant Directors (SCS Grade 5) and Corporate Services Business Heads are responsible for maintaining effective risk management

arrangements within their own areas. The quarterly assurance statements include an assessment of local risk management practice against the PPS risk management policy.

All risks set out at corporate level are owned by members of the Management Board.

Corporate Risk Profile

The Corporate Risk Register is aligned with the four strategic priorities of the PPS. During 2016-17 the Board identified 9 corporate risks that could, if not managed properly, have reduced the Service's ability to deliver against its strategic priorities. These were as follows:

Strategic Priority	Risk Area
Efficiency and effectiveness	<ul style="list-style-type: none"> • Case Management in serious / high profile cases • Support for ongoing Justice Act / CJSNI initiatives • Resources to manage legacy cases
Building Confidence and Trust	<ul style="list-style-type: none"> • PPS obligations under the Victim Charter • Engagement with stakeholders and the public
Capability to deliver	<ul style="list-style-type: none"> • Implementation of the Transformation Programme • Uncertainty regarding future funding • Gaps in Information Assurance framework
People	<ul style="list-style-type: none"> • Loss of experienced staff

Two new risk areas were identified for 2016-17. The Service's exposure to information risk was identified as a key risk, reflecting the recommendations of Internal Audit in their 2015-16 review. A further risk was highlighted in response to the Victim Charter, and the need to ensure full compliance with the Charter's obligations.

During 2015-16 the Management Board had identified risks in respect of the extent of the assurances provided via the legal quality assurance framework and the Service's response to the recommendations of the review by Sir Keir Starmer. Following a review of corporate risks for 2016-17, these issues were no longer considered to be threats to delivery in key priority areas.

Two risks were added in-year, as follows:

- The first was identified in response to evidence of non-compliance with the NICS performance management framework; and
- The second related to the anticipated reduction in resources and direct support to managers as a consequence of the establishment of NICS HR in April 2017.

One risk was also amended during the year due to concerns regarding the capacity and capability of the Service following the NICS Grading Review of Legal Posts. This risk had previously focused on the loss of experienced staff as a result of the VES.

At the end of 2016-17 financial year, two corporate risks (relating to future funding / the performance management framework) remained at 'red' (high risk). These risks have been carried over into the 2017-18 corporate register and are being monitored by the Senior Management Team on a monthly basis.

At the February 2017 Management Board members reviewed the corporate risk framework and carried out its annual assessment of the risks facing the organisation, ensuring that all key risks were identified for the incoming financial year. These discussions have informed the development of the 2017-18 corporate risk register.

During 2016-17 the risk management framework has been complemented by a range of other control measures:

- An Incident Management Plan and a Business Continuity Plan.
- An Anti-Fraud Policy and Fraud Response Plan (August 2016).
- Anti-Fraud Awareness e-learning was provided to all staff during 2016-17. The e-learning was designed to raise awareness and promote understanding of issues relating to fraud perpetrated against the public sector.
- The PPS Fraud Working Group (FWG), which provides a forum for the exchange of information and experience on fraud issues, met on two occasions. Matters considered by the FWG included the revised PPS Anti-Fraud Policy and Fraud Response Plan, and a review of the PPS Whistleblowing Policy. The FWG also monitored the rollout of anti-fraud awareness e-learning, the PPS contribution to the National Fraud Initiative and gifts and hospitality. Membership was also refreshed during the year. One incident of fraud was suspected during the period and reported to ARC, DoF and NIAO, but following internal investigations no fraud was identified.
- The Service has reviewed all new financial guidance issued by the Department of Finance (DoF) and provided briefing to the Audit and Risk Committee, setting out the relevance of any changes to the PPS and the action taken as a result – for example, with regard to updating financial policy and raising staff awareness.
- The PPS procurement and purchasing procedures have been revised and updated to reflect changes in procurement policy, Central Procurement Directorate guidance and the purchasing and payment process required through Account NI. The procurement guidance is published on the PPS Intranet.
- Two PPS staff, including the Procurement Officer, hold the CIPFA Certificate in Public Sector Procurement. The Procurement team provide help and support to PPS staff who are involved in procuring goods and services and delivered additional internal training for key staff in June 2016.
- The Procurement team, in conjunction with Delegated Purchasing Branches, complete quarterly expenditure analyses to monitor spend against contract and identify any emerging contract requirements. The Procurement Officer maintains the PPS contract database and prepares the contract procurement plan ensuring contracts are procured on a timely basis. The contract database is published on the PPS intranet.

- Contact management returns are collated by the Procurement team and any issues identified are taken forward with the supplier in conjunction with the Contract Manager and the delegated purchasing branch.
- A register of interests has been maintained covering all senior staff. A register of gifts and hospitality has also been maintained covering all staff.

6. Information Security

Governance arrangements in the PPS conform to the requirements set out in the Cabinet Office Security Policy Framework. The SAD for Resources and Change is the Senior Information Risk Owner. All senior managers have been designated as Information Asset Owners to provide further assurance that information assets are properly managed. Information assurance is a standing item on the agendas of the Audit and Risk Committee, with escalation to the Management Board where necessary. All Information Asset Owners are required to review information security compliance and to highlight any new assets or risks within their business areas in their quarterly assurance statements.

The PPS Business Assurance Team co-ordinates the development of the information assurance framework and data handling and security arrangements across the Service. The team also has responsibility for all aspects of security within the PPS, including physical and personnel, IT Security policy and the accreditation of ICT systems in line with government requirements. The team also provides advice and guidance to key stakeholders, such as members of Panel Counsel.

In March 2016, Internal Audit completed an audit of information assurance governance. The Service was given an overall satisfactory rating. During 2016-17 PPS Business Assurance have been implementing the recommendations of the report, which included the establishment of business area security managers, a review of all information assurance policies and the creation of a register of Information Sharing Agreements.

In November 2016, the PPS launched a refresh of the e-learning package 'Responsible for Information'. To date more than four-fifths of staff have completed the training.

The PPS is required to ensure that PPS information systems are formally assessed in accordance with HMG Information Assurance Standard Numbers 1 and 2 (Information Risk Management). The revised document set was completed in March 2015 with the reaccreditation process completed in June 2015. A review of this document set was not taken forward as planned in 2016-17 due to major infrastructure changes in the PPS network. A review will now take place in 2017-18.

The PPS is currently in the process of introducing tablet PCs to replace hard copy files in the Magistrates' Court. The Business Assurance Team worked closely with the PPS ICT Team to develop appropriate standards to protect the data held on these devices. These controls will be reviewed on an ongoing basis as the implementation progresses.

During the reporting period a total of 8 data incidents were reported to the Business Assurance Team (see Annex C for details). Remedial action was taken following each incident after appropriate investigations were carried out. One of these incidents was reported to the Information Commissioner's Office but no further action was required.

7. Effectiveness of the PPS Governance Framework

As Accounting Officer, the Director reviewed the effectiveness of governance and control systems within the PPS. This review has been informed by the work of the internal auditors and the executive managers within the PPS, who have responsibility for the development and maintenance of the internal control framework, as well as the views of the Independent Board Members and comments made by external auditors in their management letter and other reports.

The Director has also been advised by the Management Board and the ARC and is assured that there are plans to address any weaknesses and to ensure continuous improvement of the controls currently in place.

Assurances as to the adequacy of the governance, management and controls have been provided by:

Independent Parties

- The ARC, through feedback by its Chair at Management Board meetings and by review of the Committee's Annual Report.
- The Comptroller and Auditor General who provides reasonable assurance that the financial statements audited by his staff give a true and fair view; identify, assess and examine risks to regularity, propriety and financial control and report on significant weaknesses; and provide constructive advice to help improve their corporate governance, financial risk management control and reporting (see section 11).
- The Head of Internal Audit who has provided an independent opinion on the adequacy and effectiveness of the Service's system of internal control, and an opinion on significant control issues. Details of the audits completed during the financial year are set out below (see Section 10).
- Criminal Justice Inspection Northern Ireland who provide an independent assessment of business efficiency and effectiveness through a programme of thematic reviews (see Section 9).
- DoF, covering the shared services available to PPS. At present this includes HR Connect (which provides transactional HR work and a payroll service for the PPS), Account NI and the Centre for Applied Learning. In addition, the Central Procurement Directorate has conducted all procurement over £30,000 on behalf of the PPS under a service level agreement.
- The Independent Assessor of Complaints (IAC), Mr Alan Henry OBE, who produced the latest IAC annual report in July 2016. Mr Henry's overview for 2015-16 concluded that the quality of complaints handling continues to improve, in some areas significantly, for example, the percentage of complaints acknowledged and concluded within the target timescales. In addition, the quality of investigation and written responses remains generally excellent. However, some areas of poor performance were also highlighted and the IAC will work with business areas to effect improvements as necessary.

Management

- The SAD for Resources and Change who is a member of the Management Board and acts as the Principal Establishment and Finance Officer (PEFO) for the Service. In this role the SAD is responsible for ensuring that proper controls are in place to safeguard public funds and departmental assets.
- The detailed assurance statements which have been provided on a quarterly basis to the Management Board and the ARC by senior managers who have responsibility for the development and maintenance of the internal control framework in their respective areas. Significant internal control issues highlighted during the year have been recorded at Section 12.
- The regular financial and performance reports provided to the Board and senior management.

Policy and Process

- The PPS Quality Assurance Team which aims to provide an independent assessment of the quality of decision-making, case preparation and presentation within the Service. The work of the QA Team has been complemented by dip sampling by Assistant Directors. All cases found to be below the acceptable standard have been followed up by the SAD for Serious Crime and Regional Prosecutions.
- The maintenance of casework risk registers by Assistant Directors. The registers were implemented in January 2016 and are intended to ensure that identified risks in the most serious cases are managed and mitigated. These are complemented by Prosecution Strategy Documents (PSDs) which assist the prosecutor and AD in identifying and recording any strategic issues that arise in individual cases, and to create a comprehensive record of how such issues have been approached and resolved.
- The PPS Business Improvement Team which has been commissioned to conduct a number of assignments during 2016-17. Key work areas included reviews of the Victim and Witness Care Unit and the Casework Support function, as well as the provision of support and technical advice to the Transformation Working Group.

8. Whistleblowing

No whistleblowing reports were made during 2016-17.

9. External Review

Criminal Justice Inspection Northern Ireland

During the year, CJI published the results of 'Driving Change – Enforcement of Road Traffic legislation in Northern Ireland' (September 2016). CJI has also commenced a number of other reviews, including a follow-up to the inspection of the Service's corporate governance, which was originally published in 2013. PPS has engaged with inspectors during the course of all reviews and responded to recommendations where appropriate.

In October 2016 the Director invited CJI to assess the effectiveness of the PPS's response to the findings of Sir Keir Starmer's independent review, published in May 2015, into the conduct of three interlinked cases involving sex abuse and terror-related charges. CJI identified a number of areas for improvement which are now being taken forward by the Service.

10. Internal Audit

PPS has established a robust assurance framework that includes primary assurance through line management structures on the achievement of objectives. This primary assurance is supplemented by secondary assurances provided through oversight of management activity, and by the DoJ Internal Audit team operating to Public Sector Internal Audit Standards. They deliver an agreed prioritised programme of systems based audits covering PPS systems over time. The Head of Internal Audit provides an Annual Report and his professional opinion on the level of assurance that he can provide based on the work done. The Head of Internal Audit forms his professional opinion on the basis of the internal audit work completed over a three year period.

All priority issues have been addressed as part of the rolling programme and the Head of Internal Audit has provided overall satisfactory assurance.

Internal Audit Activity during 2016-17

During the financial year Internal Audit conducted a number of audit assignments, in accordance with the annual audit plan for 2016-17. Three audit reports were produced, focusing on the following areas:

- Recruitment of Junior Counsel (August 2016);
- Financial Management (January 2017); and
- Business Continuity Arrangements for the Victim and Witness Care Unit (March 2017).

The overall level of assurance arising from the review of Counsel was 'limited', due to weaknesses in security clearance which have now been resolved. The reviews of Financial Management and VWCU Business Continuity were both 'satisfactory'.

A fourth audit, on Absence and Performance Management, had been provisionally scheduled for 2016-17. However, at the ARC meeting in December 2016 members agreed that this should be postponed and an alternative review substituted, relating to the valuation of Work in Progress for Counsel Fees. This review was conducted during March 2017 and the final report issued in April 2017. The overall level of assurance was satisfactory.

11. External Audit

The Comptroller and Auditor General's report was qualified on the basis that PPS has a technical excess vote for 2016-17. There was no opportunity, through the Spring Supplementary Estimate process, to get authorisation for any changes needed to the main supply estimate before the end of the financial year. Information in the Statement of Assembly Supply, contained within the resource accounts, was therefore taken from the Main Estimate.

In 2016-17 PPS expended more resources than the Assembly had authorised in Request for Resource (RfR) A resulting in an excess vote. Net resource outturn for RfR A of £35,488,080.59 was £2,857,080.59 in excess of £32,631,000 limit authorised by the Assembly.

In 2016-17 PPS also required more cash than the Assembly had authorised in the Net Cash Requirement resulting in an excess vote. Net Cash Requirement of £35,273,440.91 was £1,386,440.91 in excess of the £33,887,000 limit authorised by the Assembly.

The excess on the Net Cash Requirement arose because the Assembly dissolved at the end of January 2017 and therefore the process of considering and approving the 2016-17 Spring Supplementary Estimates by way of a Budget Bill could not take place. Had the Assembly approved these Estimates the excess in the Net Cash Requirement would not have occurred.

PPS has also a non-technical excess vote because although the Net Resource Outturn would show a saving overall if the Assembly had approved the Estimates PPS would have exceeded the Departmental Expenditure Limit (DEL). The Departmental expenditure in DEL of £34,075,685.73 would have been £542,685.73 in excess of £33,533,000 DEL if the Spring Supplementary Estimates had been approved. This would have been a breach against a voted Assembly control total and therefore an excess vote. On the basis of December projections PPS highlighted a pressure of £475,000 in the January monitoring round but the monitoring round did not conclude and the request for additional funding put forward did not receive consideration. In addition the extent of the budgetary pressure increased over the remainder of the year, giving rise to a total shortfall of £542,685.73. To manage this risk in future years PPS intends to extend the level of central oversight in the management of counsel fees.

12. Significant Control Issues

Budget Settlement

The PPS's budget settlement for 2016-17 was below the projected running costs of the Service for the year. This required the Management Board to commence the year in the knowledge that an overspend against the baseline was inevitable without successfully bidding for sufficient in-year funding. Detailed discussions were conducted with the DoF and PPS did receive some additional monies, but not all that had been requested. The dissolution of the Assembly in January 2017 meant that further funds could not be granted and resulted in a technical breach both in budget and net cash requirement. In addition PPS had an operational breach of £543k. The budget performance of PPS is set out under Financial Performance at page 34.

PPS had maximised the use of the Voluntary Exit Scheme during 2015-16, delivering savings of approximately £2 m in salary costs during 2016-17. The Service has also progressed an ambitious programme of office closures during 2016-17 which will generate full year savings of £1.4 m. PPS will continue to work with the Strategic Investment Board and Land and Property Services, and further savings of £591k per annum will be generated when all vacant buildings are fully sublet or leases reassigned. There are no further mechanisms available to substantially reduce running costs while maintaining the Service's existing statutory functions.

13. Conclusion

The governance framework as outlined has been in place in the PPS throughout the year ended 31 March 2017 and up to the date of approval of the Annual Report and Resource Accounts, and accords with DoF guidance.

It is the Director's assessment that the PPS operates a system of governance and accountability which he can rely on as Accounting Officer to provide assurances that the public funds and other resources for which he is accountable are deployed effectively and appropriately.

During the financial year, with the exception of those matters highlighted at Section 12 above, no significant internal control weaknesses or issues have been identified, and no significant failures have arisen in the expected standards for good governance, risk management and control.

Remuneration and Staff Report

(audited information)

Remuneration Report

1. Scope of Responsibility

The salaries of the Director of Public Prosecutions and the Deputy Director are set in line with the Judicial Appointments Scale as determined by the Department of Finance.

The non-executive Directors are remunerated on the basis of a per diem rate. This was uplifted by 1% from 1 August 2016 to £520 per day in line with the recommendations of the Senior Salary Review body; who have also recommended a further 1% uplift per annum on 1 August each year up to 2020-21. In addition they are entitled to travel and subsistence expenses at NICS rates incurred while on departmental business.

The non-executive Director's remuneration is paid through the PPS's payroll and Employers' National Insurance and PAYE accounted for at source.

2. Remuneration Policy

The PPS became a non-ministerial department at the point of devolution on 12 April 2010. The majority of PPS staff underwent assimilation to NICS terms and conditions with a small minority choosing to remain under the same conditions applicable to the Northern Ireland Office.

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have 8 pay points) to allow progression through the pay scales within a reasonable period of time.

3. Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

The Deputy Director of Public Prosecutions, Pamela Atchison, retired on 31 March 2017. The Senior Assistant Director of Regional Prosecutions, Stephen Herron, was appointed as acting Deputy Director on 3 May 2017. The Assistant Director Central Casework, Michael Agnew, was appointed as acting Senior Assistant Director on 3 April 2017. There is no disclosure required for his remuneration in 2016-17.

4. Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Senior Management of the Department.

Remuneration (including salary) and pension entitlements

	2016-17				2015-16			
	Salary (£'000)	Benefits in Kind (to nearest £100)	Pension Benefits *(to nearest £1,000)*	Total (£'000)	Salary (£'000)	Benefits in Kind (to nearest £100)	Pension Benefits Restated (to nearest £1,000)*	Total (£'000)
Statutory Appointments								
Barra McGrory QC <i>Director of Public Prosecutions</i>	175-180	-	69,000	245 - 250	175-180	-	75,000	245-250
Pamela Atchison <i>Deputy Director of Public Prosecutions (retired 31 March 2017)</i>	140-145	-	-	140 - 145	140 -145	-	41,000	180-185
Officials								
Ian Hearst <i>Senior Assistant Director of Resources and Change</i>	90-95	-	36,000	125 - 130	85 - 90	-	38,000	125-130
Stephen Herron <i>Senior Assistant Director of Regional Prosecutions (appointed as acting Deputy Director on 3 May 2017)</i>	85-90	-	40,000	125 - 130	85 - 90	-	44,000	130-135
Non-Executive Directors								
Christopher Welford	5-10	-	-	5-10	5-10	-	-	5-10
David Hughes Hallett	5-10	-	-	5-10	5-10	-	-	5-10
Band of Highest Paid Director's Total Remuneration (£'000)		175-180				175-180		
Median Total		24,975				24,728		
Ratio		7.2				7.2		

Note: Pamela Atchison choose not to be covered by the Northern Ireland Civil Service pension schemes during the year.

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

Salary

Salary includes gross salary and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments.

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. The PPS does not provide any benefits in kind to staff.

Review of Fair Pay

The Public Prosecution Service, in line with all government bodies, is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded annualised remuneration of the highest-paid director in PPS in the financial year 2016-17 was £175,000 - £180,000 (2015-16, £175,000 - £180,000). This was 7.2 times (2015-16, 7.2) the median remuneration of the workforce, which was £24,975 (2015-16, £24,728). The median salary has remained steady from last year and represents the top point of the Executive Officer II scale; hence the pay band multiple did not change.

The range of staff remuneration is from £13,488 to £179,768 (2015-16, £13,641 to £177,987).

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

Pension Benefits

The Director of Public Prosecutions and the Senior Assistant Director for Finance and Resources are members of the nuvos pension scheme. All other senior managers of the PPS are members of the classic scheme.

Pension Entitlements

	Accrued pension at pension age as at 31/3/17 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/3/17 £'000	CETV at 31/3/16 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Statutory Appointments						
Barra McGrory QC <i>Director of Public Prosecutions</i>	20 - 25 Lump sum nil	2.5 - 5 Lump sum nil	319	256	41	-
Officials						
Ian Hearst <i>Senior Assistant Director of Resources and Change</i>	15 - 20 Lump sum nil	0 - 2.5 Lump sum nil	251	219	19	-
Stephen Herron <i>Senior Assistant Director of Regional Prosecutions (appointed as acting Deputy Director on 3 May 2017)</i>	20 -25 Lump sum 55 -60	0 - 2.5 Lump sum 0 - 2.5	339	304	17	-

Note: Pamela Atchison choose not to be covered by the Northern Ireland Civil Service pension schemes during the year.

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are reviewed annually in line with changes in the cost of living.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha

is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are reviewed annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 – 31 March 2018 are as follows:

Scheme Year 1 April 2017 to 31 March 2018

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – Classic members or classic members who have moved to alpha	Contribution rates – All other members
From	To	From 01 April 2017 to 31 March 2018	From 01 April 2017 to 31 March 2018
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium**, and **classic plus** and 65 for members of **nuvos**. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential 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 effectively 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Staff Numbers and Related Costs

Following the restructuring of the Service during 2015-16, the agreed full time equivalent (FTE) capacity of the Public Prosecution Service is 486. The full time equivalent staffing of the Public Prosecution Service at 31 March 2017 was 461.

There were 483 staff employed and 21 temporary staff in post. The staff complement of 503 included 172 males and 331 females.

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

	2016-17		2015-16
Average FTE staff	Permanent Staff	Others	Total
RfR A Objective A	461	20	509
Total	461	20	509

The 10 senior management positions within PPS are the Director, Deputy Director, 2 Grade 3 Senior Assistant Directors and 6 Grade 5 Assistant Directors. At 31 March, of these staff 7 were male and 3 female: the Deputy Director and 2 Grade 5 staff. Following the retirement of the Deputy there are currently 9 posts with 2 female staff both at Grade 5. A breakdown of staffing within the Service by grade is provided within the Performance Report at page 10.

The staff costs reported in the Statement of Comprehensive Net Expenditure for the year ended 2016-17 are set out below in greater detail. Agency staff have been classified as 'other' and inward secondments refer to staff based with PPS but employed by the Northern Ireland Statistics and Research Agency.⁴

⁴ Of the total staff costs nil has been charged to capital

Staff Costs

	2016/17			2015/16
	Permanently Employed Staff	Others	Total	Total
Wages and Salaries	14,944	538	15,482	18,906
Social Security Costs	1,549	-	1,549	1,260
Other Pension Costs	3,469	-	3,469	3,690
Sub-Total	19,962	538	20,500	23,856
Plus Inward Secondments	135	-	135	131
Less Outward Secondments	(24)	-	(24)	-
Total Net Costs	20,073	538	20,611	23,987
Of which:				
	Charged to Administration	Charged to Programme	Total	
Total Net Costs	1,603	19,008	20,611	
Total Net Costs	1,603	19,008	20,611	

The majority of PPS staff are covered by one of the arrangements available under the Northern Ireland Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]: Alpha, Nuvos, Classic, Premium or Classic Plus. The Northern Ireland Civil Service pension schemes are unfunded multi-employer defined benefit schemes but the Public Prosecution Service is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £3,456,381.46 (2015-16, £3,687,461.44) were payable to the NICS Pension Scheme at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The difference between this amount and the amount disclosed above relates to pension costs recouped on seconded staff, a reduction in the employee benefit accrual and pension contributions to the Broadly By Analogy scheme detailed below.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the actuary during 2014-15. This valuation was used to determine employer contribution rates for the introduction of Alpha from April 2015. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contribution of £4,554 (2015-16: £3,145) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2015-16: 3% to 14.8%) of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer

contributions of nil, (2015-16: nil) of pensionable pay, were payable to the NICS Pension Scheme to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the reporting period date were nil. Contributions prepaid at that date were nil.

One person (2015-16: nil persons) retired on ill-health grounds; the total additional pension liabilities in the year amounted to £nil (2015-16: nil).

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 at the year-end which has been determined using data from staff leave records.

The PPS did not have any off payroll engagements during the year 2016-17 nor were there any such arrangements during 2015-16.

Expenditure on consultancy during 2016-17 was nil (2015-16, £5k).

2. Civil Service and Other Compensation Schemes - Exit Package

There were no exit packages during 2016/17.

However there was a late cost of £60,000 in respect of the pension liability of one member of staff who left the organisation under Voluntary Exit during 2015-16. This was not accrued in 2015-16 as it was awaiting valuation.

3. Disabled Persons

The PPS follows the NICS Code of Practice on the Employment of Disabled People and aims to ensure that disability is not a bar to recruitment or advancement.

The PPS is also committed to pursuing the NICS Equal Opportunities Policy whereby all staff have equality of opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for the work.

PPS publishes an annual Disability Action Plan and monitors in year performance. Some of the key actions for 2016-17 include:

- To use staff roadshows, the staff brief and other staff forums to maintain awareness of disability equality legislation and the PPS Disability Action Plan.
- PPS Human Resources team to issue a yearly request to staff to invite them to provide confidential disability declarations.
- To conduct meetings with staff in relation to any reasonable adjustments in the workplace which may be required to enable a member of staff with a disability to be a fully effective employee.
- To arrange disability equality legislation and disability awareness sessions for all staff through existing communication mechanisms, training sources and e-learning.

Managing Attendance

The PPS manage sickness absence in line with NICS Sickness Absence Policies.

Sickness Absence in the Northern Ireland Civil Service is measured and reported on annually by the Northern Ireland Statistics and Research Agency. The Minister for Finance sets targets for all NICS Departments. The PPS target for sickness absence was 7.5 working days lost per full time equivalent member of staff (2015-16, 7.5 days). PPS actual performance for 2016-17 (based on estimated NICS data) was 12.0 days (2015-16, 11.1 days).

The PPS target for long-term absence was a frequency rate of 7.6% (2015-16, 7.6%) but the actual performance for 2016-17 (based on estimated NICS data) was 13.6% (2015-16, 11.5%).

PPS sickness absence has increased during 2016-17. This can be attributed to a number of factors including VES and Departmental Restructuring.

Assembly Accountability and Audit Report

Statement of Assembly Supply (audited information)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires the Public Prosecution Service to prepare a Statement of Assembly Supply (SOAS) and supporting notes to show resource outturn against the Supply Estimate presented to the Assembly.

Summary of Resource Outturn 2016-17

Request for Resources	Note	Estimate	Estimate	Estimate	Outturn	Outturn	Outturn	2016-17 £'000	2015-16 £'000
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total Outturn compared with Estimate: saving/(excess)	Outturn Net Total
A	SOAS 1	32,712	(81)	32,631	35,569	(81)	35,488	(2,857)	38,073
Total Resources	SOAS 2	32,712	(81)	32,631	35,569	(81)	35,488	(2,857)	38,073
Non-operating cost Accruing Resources		-	-	-	-	-	-	-	-

Net cash requirement 2016-17

	Note	Estimate	Outturn	2016-17 £'000	2015-16 £'000
				Net Total Outturn compared with Estimate: saving/(excess)	Outturn
Net cash requirement	SOAS3	33,887	35,273	(1,386)	36,344

The notes on pages 85 to 102 form part of these accounts.

Summary of Income Payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	Income	2016-17 Forecast £'000 Receipts	Income	2015-16 Outturn £'000 Receipts
Total	SOAS4	397	-	-	-

The department has incurred a technical Excess Vote of £2.8m. This excess arose due to the Assembly being dissolved in January 2017 and therefore the process of approving 2016-17 Spring Supplementary Estimates and associated Budget Bill did not take place. Consequently, the Supply Estimate position shown in the Statement of Assembly Supply is the Main Estimates position. Had the Spring Supplementary Estimates and associated Budget Bill been approved by the Assembly to reflect changes to departmental budgets that had previously been agreed by the Executive or changes that could reasonably have been expected to have been agreed in the January Monitoring Round, a DEL excess of £543k would have occurred.

Explanation of variances between Estimate and Outturn are given in SOAS 1 'Analysis of net resource outturn by function' and in the Performance Report.

SOAS 1 Analysis of net resource outturn by function

	2016-17 £'000 Outturn					2016-17 £'000 Estimate			2015-16 £'000	
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Estimate Net Total	Net Total Outturn compared with Estimate	Net Total Outturn compared with Estimate adjusted for virements	Prior- year Outturn
RfR A: Increasing public confidence in the criminal justice system through independent, fair and effective prosecutions:										
	1,750	33,819	-	35,569	(81)	35,488	32,631	(2,857)	(2,857)	38,073
Departmental Expenditure in (DEL): A-1: Public Prosecution & Legal Services										
	1,750	32,804	-	34,554	(81)	34,473	32,403	(2,070)	(2,070)	37,912
Annually Managed Expenditure (AME): A-2: Public Prosecution and Legal Services										
	-	960	-	960	-	960	168	(792)	(792)	123
Non-Budget: A-3: Notional charges										
	-	55	-	55	-	55	60	5	5	38
Resource Outturn	1,750	33,819	-	35,569	(81)	35,488	32,631	(2,857)	(2,857)	38,073

The notes on pages 85 to 102 form part of these accounts.

The Public Prosecution Service Net Resource Outturn was £35.4m against an estimated provision of £32.6m, refer to detailed explanation of excess vote under summary of income payable to the consolidated fund.

Had the Spring Supplementary Estimates and associated Budget Bill been approved by the Assembly to reflect changes to departmental budgets that had previously been agreed by the Executive under in-year Monitoring Rounds or changes that could reasonably have been expected to have been agreed in the January Monitoring Round, this excess would have been reduced to £68k.

Detailed explanations of the variances are given in the Performance Summary.

SOAS 2 Reconciliation of outturn to net operating cost

	Note	Outturn	Supply Estimate	2016-17 £'000 Outturn compared with Estimate: saving/ (excess)	2015-16 £'000 Outturn
Net Resource Outturn	SOAS1	35,488	32,631	2,857	38,073
Prior Period Adjustments		-	-	-	-
Non-supply Income	SOAS4	(397)	-	(397)	-
Net Operating Cost in Statement of Comprehensive Net Expenditure		35,091	32,631	2,460	38,073

The notes on pages 85 to 102 form part of these accounts.

SOAS 3 Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £'000	Outturn £'000	Net Total Outturn compared with estimate: saving/(excess) £'000
Resource Outturn	SOAS2	32,631	35,488	(2,857)
Capital				
Acquisition of property, plant and equipment and Investments	5,6	1,517	1,408	109
Non-operating Accruing Resources				
Proceeds of asset disposals		-	-	-
Accruals to cash adjustment:				
<i>Adjustments to remove non-cash items:</i>				
Depreciation	3	(1,438)	(1,538)	100
New provisions, and adjustments to previous provisions	12	(168)	(960)	792
Other non-cash items	3	(60)	(883)	823
Changes in working capital other than cash		1,230	1,992	(762)
Changes in payables falling due after more than one year		-	-	-
Use of Provision	12	175	163	12
Operating income - excess Accruing Resources	SOAS4	-	(397)	397
Net Cash Requirement		33,887	35,273	(1,386)

The notes on pages 85 to 102 form part of these accounts.

SOAS 4 Income payable to the Consolidated Fund

In addition to Accruing Resources, the following income relates to the departments and is payable to the Consolidated Fund (cash receipts being shown in italics)

	Note	Forecast 2016-17		Outturn 2016-17	
		£'000 Income	£'000 Receipts	£'000 Income	£'000 Receipts
Operating income and receipts – excess Accruing Resources	SOAS 5	-	-	397	-
Non-operating income and receipts – excess Accruing Resources	SOAS 6	-	-	-	-
Excess cash surrenderable to the Consolidated Fund	SOAS 3	-	-	-	-
Total Income payable to the Consolidated Fund		-	-	397	-

SOAS 5 Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2016-17 £'000	2015-16 £'000
Operating income	4	478	464
Gross income		478	464
Income authorised to be Accruing Resources		(81)	(464)
Operating income payable to the Consolidated Fund	SOAS4	397	-

SOAS 6 Non-operating income - Excess Accruing Resources

	Note	2016-17 £'000	2015-16 £'000
Principle repayments of voted loan			
Proceeds on disposal of property, plant and equipment		-	-
Other		-	-
Non-operating income – excess Accruing Resources		-	-

The notes on pages 85 to 102 form part of these accounts.

Other Assembly Accountability Disclosures (audited information)

i. Losses and special payments

There were no losses or special payments in excess of £250,000 in either 2016-17 or 2015-16

ii. Fees and Charges

Where relevant the PPS complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance and adheres to the guidelines on fees and charges contained within Managing Public Money NI.

PPS charges a range of other NICS Departments for the provision of prosecution services. Charges are based on the estimated average marginal cost of the conduct of any additional cases above the baseline allocated to each Department. The income generated in 2016-17 was £86k (2015-16, £53k).

iii. Remote Contingent Liabilities

Note 13 details contingent liabilities disclosed.

The Department has no further remote contingent liabilities required to be disclosed under Assembly Reporting Requirements.

The notes on pages 85 to 102 form part of these accounts.

Declaration

I confirm that this Accountability Report reflects the position of the Public Prosecution Service for the year ended 31 March 2017.



**Barra McGrory QC
Accounting Officer**

22 June 2017

The notes on pages 85 to 102 form part of these accounts.

PUBLIC PROSECUTION SERVICE FOR NORTHERN IRELAND

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Public Prosecution Service for Northern Ireland for the year ended 31 March 2016 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Assembly Supply and the related notes and the information in the Remuneration and Staff Report and the Assembly Accountability Disclosures that is described in that report and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for qualified opinion on regularity arising from breach of Assembly control totals

In 2016-17 the Public Prosecution Service expended more resources than the Assembly had authorised in Request for Resource (RfR) A resulting in an excess vote. Net resource outturn for RfR A of £35,488,080.59 was £2,857,080.59 in excess of £32,631,000 limit authorised by the Assembly.

In 2016-17 the Public Prosecution Service required more cash than the Assembly had authorised in the Net Cash Requirement resulting in an excess vote. Net Cash Requirement of £35,273,440.91 was £1,386,440.91 in excess of the £33,887,000 limit authorised by the Assembly.

The excess on the Net Cash Requirement arose because the Assembly dissolved at the end of January 2017 and therefore the process of considering and approving the 2016-17 Spring Supplementary Estimates by way of a Budget Bill could not take place. Had the Assembly approved these Estimates the excess in the Net Cash Requirement would not have occurred.

Although the Net Resource Outturn would show a saving overall if the Assembly had approved the Estimates the Public Prosecution Service would have exceeded the Departmental Expenditure Limit (DEL). The Departmental expenditure in DEL of £34,075,685.73 would have been £542,685.73 in excess of £33,533,000 DEL if the Spring Supplementary Estimates had been approved. This would have been a breach against a voted Assembly control total and therefore an excess vote.

The Public Prosecution Service has advised us that in the last quarter of the financial year 2016-17 the outturn for counsel fees (one element of the costs associated with Departmental prosecutions) was more than anticipated at December 2016. On the basis of its December projections the Public Prosecution Service highlighted a pressure of £475,000 in the January monitoring round. The January monitoring round did not conclude and the request for additional funding put forward did not receive consideration. In addition the extent of the budgetary pressure increased over the remainder of the year, giving rise to a total shortfall of £542,685.73. To prevent this re-occurring in future years the Public Prosecution Service intends to extend the level of central oversight in the management of counsel fees.

Qualified Opinion on regularity

In my opinion, except for the breaches described in the basis for qualified opinion paragraphs above, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2017 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2017 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability Disclosures to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report, including fees and charges, remote contingent liabilities and losses and special payments, to be audited are not in agreement with the accounting records; or

- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's guidance.

Report

Other than as outlined in the basis for the qualified opinion paragraphs above, I have no further observations to make on these financial statements.



*KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU*

22 June 2017

Part 3: Financial Statements



Financial Statements

for the year ended 31 March 2017

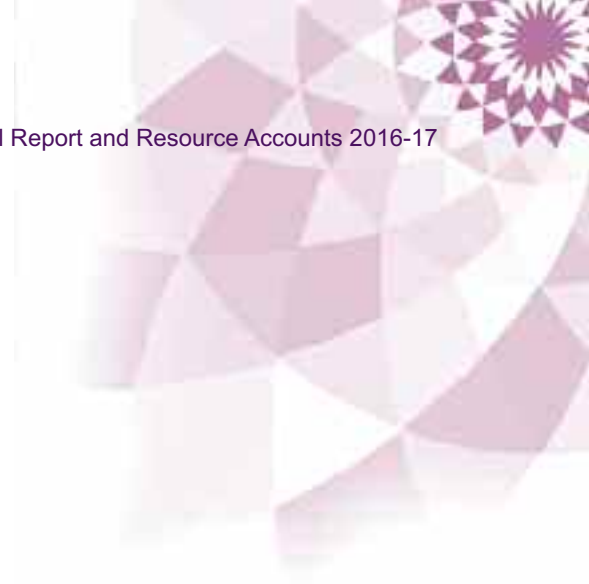
Statement of Comprehensive Net Expenditure

for the year ended 31 March 2017

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.

	Note	2016-17 £'000	2015-16 £'000
Income from the sale of goods and services		-	-
Other operating Income	4	(478)	(464)
Total Operating Income		(478)	(464)
Staff costs	2,3	20,611	23,987
Purchase of goods & services	2,3	9,826	10,296
Depreciation and impairment charges	2,3	1,535	1,414
Provision expense	2,3	960	123
Other operating expenditure	2,3	2,637	2,717
Total Operating Expenditure		35,569	38,537
Net Operating Expenditure		35,091	38,073
Finance income		-	-
Finance expense		-	-
Net Expenditure for the Year		35,091	38,073

The notes on pages 85 to 102 form part of these accounts.



Other Comprehensive Net Expenditure

	Note	2016-17 £'000	2015-16 £'000
Items that will not be classified to net operating costs:			
Net (gain) / loss on revaluation of property, plant & equipment	5	(303)	783
Net (gain) / loss on revaluation of intangibles	6	(46)	191
Actuarial (gain)/loss on pension scheme	12	493	(160)
Other Comprehensive Net Expenditure		144	814
Total Comprehensive Net Expenditure for the year ended 31 March 2017		35,235	38,887

All income and expenditure is derived from continuing operations.

The notes on pages 85 to 102 form part of these accounts.

Statement of Financial Position

as at 31 March 2017

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

	Note	2016-17 £'000	2015-16 £'000
Non-current assets			
Property, plant and equipment	5	8,223	9,076
Intangible assets	6	806	562
Total non-current assets		9,029	9,638
Current assets			
Trade and other receivables	10	848	874
Cash and cash equivalents	9	40	41
Total current assets		888	915
Total assets		9,917	10,553
Current Liabilities			
Trade and other payables	11	(4,205)	(4,441)
Cash and cash equivalents	9	-	-
Provisions	12	(1,007)	(164)
Total current liabilities		(5,212)	(4,605)
Non-current assets plus/less net current assets/liabilities		4,705	5,948
Non-current liabilities			
Provisions	12	(3,622)	(3,175)
Other payables		-	-
Total non-current liabilities		(3,622)	(3,175)
Total assets less liabilities		1,083	2,773
Taxpayers' equity and other reserves:			
General fund		(1,155)	148
Revaluation reserve		2,238	2,625
Total equity		1,083	2,773



Accounting Officer
22 June 2017

The notes on pages 85 to 102 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2017

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Public Prosecution Service during the reporting period. The statement shows how the Public Prosecution Service generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Department's future public service delivery. Cash flows arising from financing activities include Assembly Supply and other cash flows, including borrowing.

	Note	2016-17 £'000	2015-16 £'000
Cash flows from operating activities			
Net operating cost		(35,091)	(38,073)
Adjustment for non-cash transactions	3	2,538	2,165
(Increase)/Decrease in trade and other receivables	10	26	268
Increase/(Decrease) in trade payables	11	(236)	941
<i>Less movements in receivables relating to items not passing through the SCNE</i>	10	-	(269)
<i>Less movements in payables relating to items not passing through the SCNE</i>	11	(1,493)	(525)
New provision provided in year	12	843	-
Use of provisions	12	(163)	(164)
Net cash outflow from operating activities		(33,576)	(35,657)
Cash from investing activities			
Purchase of property, plant and equipment	5	(1,296)	(550)
Purchase of intangible assets	6	(401)	(137)
Proceeds of disposal of property, plant and equipment		-	-
Proceeds of disposal of intangible assets		-	-
Net cash outflow from investing activities		(1,697)	(687)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		33,846	36,385
From the Consolidated Fund (Supply) - prior year		-	-
From the Consolidated Fund (Non-Supply)		1,426	269
Net financing		35,272	36,654
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		(1)	310
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		-	-
Payments of amounts due to the Consolidated Fund		-	-
Net increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund			
		(1)	310
Cash and cash equivalents at the beginning of the period	9	41	(269)
Cash and cash equivalents at the end of the period	9	40	41

The notes on pages 85 to 102 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

This statement shows the movement in the year on the different reserves held by the Public Prosecution Service, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund) and Revaluation Reserve, reflecting the changes in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of the Department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2015		1,169	2,161	3,330
Net Assembly Funding		36,344	-	36,344
Comprehensive expenditure for the year		(37,913)	974	(36,939)
Auditors Remuneration	3	38	-	38
Transfers between reserves		510	(510)	-
Balance at 31 March 2016		148	2,625	2,773
Net Assembly funding		33,887	-	33,887
Income payable to the Consolidated Fund	SOAS4	(397)	-	(397)
Advances from the Consolidated Fund (Non Supply)		1,426	-	1,426
Amounts payable to the Consolidated Fund (Non Supply)		(1,426)	-	(1,426)
Comprehensive net expenditure for the year		(35,565)	349	(35,216)
Auditors remuneration	3	36	-	36
Transfers between reserves		736	(736)	-
Balance at 31 March 2017		(1,155)	2,238	(1,083)

The notes on pages 85 to 102 form part of these accounts.

Notes to the Financial Statements

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 Public Prosecution Service, for the purpose of giving a true and fair view, has been selected. The particular policies adopted by the Public Prosecution Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare one additional primary statement. The *Statement of Assembly Supply* and supporting notes show outturn against Estimate in respect of the net resource requirement and the net cash requirement.

1.1 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.

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

1.2 Property, plant and equipment

Property, plant and equipment comprise building fit out costs, plant and machinery, and computer equipment.

Consolidation of asset categories

The property, plant and equipment note requires the amalgamation of asset categories under the Plant and Machinery heading. The asset categories represented by this heading include:

- Furniture and fittings;
- Office equipment; and
- Security equipment.

1.3 Valuation of property, plant and equipment

Property, plant and equipment are stated at the lower of replacement cost and recoverable amount. All property, plant and equipment are restated to current value each year by reference to indices compiled by the Office for National Statistics (ONS).

Land and buildings are required to be restated to current value using independent professional valuations, in accordance with IAS 16 *Property, Plant and Equipment*, every 5 years and in the intervening years by the use of indices provided by Land and Property Services (LPS), specific to the Northern Ireland property sector. The valuations are carried out by members of the Royal Institute of Chartered Surveyors (RICS) in accordance with procedures laid out in the RICS Appraisal and Valuation Manual. Costs classified as Buildings within the Public Prosecution Service relate to fit out costs of leased premises. These are depreciated over the term of the lease and there is no requirement for quinquennial revaluation in respect of these costs.

Expenditure on property, plant and equipment of over £1,000 is capitalised. Within the Department 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.

In compliance with IAS 16, subsequent expenditure on an asset which does not meet the criteria of enhancement or improvement is treated as revenue.

Upward revaluations are credited to the Revaluation Reserve and permanent reductions in the value of property, plant and equipment are charged to the Statement of Comprehensive Net Expenditure. Any subsequent revaluation of assets is credited to the Statement of Comprehensive Net Expenditure to the extent that it reverses previous revaluation decreases recognised as an expense in the Statement of Comprehensive Net Expenditure.

Where a building has been vacated by the Public Prosecution Service and is no longer in use the residual valuation of fit out costs and furniture and fittings has been judged as nil and written off as an impairment cost.

1.4 Depreciation

All property, plant and equipment and intangible assets are depreciated at rates calculated to write them down to their 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
Buildings : Fit out costs	Lease term – generally 15 - 25 years
Plant and Machinery	10 - 15 years
Information Technology	5 – 6 years
Assets under construction	No depreciation
Intangible assets	3 - 5 years

1.5 Realised element of depreciation from revaluation reserve

Depreciation is charged to expenditure on the revalued amount of property, plant and equipment. An element of depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on disposal and is transferred from the Revaluation Reserve to the General Fund.

1.6 Intangible assets

Intangible assets comprise development expenditure, software licenses and general information technology lasting more than one year and costing more than £1,000. Software licences are amortised over three to five years. Intangibles are revalued annually using indices provided by the ONS.

1.7 Pension costs

Past and present employees of the Public Prosecution Service are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the PCSPS (NI). Each of these defined benefit schemes is unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS and the PCSPS (NI) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS and the PCSPS (NI). In respect of defined contribution schemes, the Public Prosecution Service recognises the contributions payable for the year.

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension schemes of public appointments in respect of some retired Directors and Deputy Directors of Public Prosecution. A BBA pension arrangement entitles the recipient to benefits similar to the classic schemes in both the PCSPS and PCSPS (NI). The Public Prosecution Service and members were obliged to make contributions in line with the PCSPS and the Department is responsible for paying accrued benefits. Provision has been made for the future cost of benefits under this scheme. The scheme is no longer available to new entrants.

Further details regarding the above schemes are contained in the Staff Report within the Accountability Report and in Notes 2, 3 and 12 of the Accounts.

1.8 Financing and operating income

Financing

The Department is primarily resourced by funds approved by the NI Assembly through the annual Supply process. Resources are drawn down to meet expenditure requirements and are credited to the General Fund.

Operating Income

Operating income is income which relates directly to the operating activities of the Department. It principally comprises receipts from the Asset Recovery Incentive Scheme, recovery of court costs and fees and charges to other departments and public bodies. It includes both income classified as Accruing Resources and income due to the Consolidated Fund, which in accordance with FReM, is treated as operating income. Operating income is stated net of VAT.

1.9 Leases

Finance leases

Leases of property, plant and equipment where the Department holds substantially all the risks and rewards of ownership are classified as finance leases. The Public Prosecution Service has no obligations under finance leases.

Operating leases

Leases where substantially all of the risks and rewards are held by the lessor are classified as operating leases. Rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the period of the lease.

1.10 Provisions

The Public Prosecution Service 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. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury (currently 3.5 %).

1.11 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

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 the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

1.12 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction.

1.13 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets.

1.14 Insurance

Departments do not generally insure. No insurance is affected against the following: fire, explosion, common law, third party and similar risks. Notional insurance premiums are not charged to the Statement of Comprehensive Net Expenditure. Instead, expenditure in connection with uninsured risks is charged as incurred.

1.15 Critical accounting estimates and key judgements

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

(i) Depreciation of property, plant and equipment

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

(ii) Impairment of property, plant and equipment

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

(iii) Pension and other post-retirement benefits

The Department accounts for pension and other post-retirement benefits in accordance with IAS 19. In determining the pension cost and the defined benefit obligation of the pension schemes a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in Notes 2, 3 and 12.

(iv) Accruals/Provisions for counsel fees

Programme costs reflect non-administration costs, being the direct cost and associated overheads of front line activities and include the employment of counsel to prosecute cases through the courts on behalf of the PPS.

Counsel fees are paid under the Prosecution Fee Scheme ruling at the point of briefing. The scheme provides a formulaic approach to calculating fees taking into account a range of set cost factors including the number of defendants, type of counsel, volume of evidence, number of witnesses and length of trial. Payment is made on completion of a case on the basis of a detailed record of the work undertaken. There is estimation involved in ascertaining the full value of fees for work in progress on cases at year-end; actual counsel fees in more complex cases are accrued for on a case by case basis but in all other circumstances the PPS provides an estimation of such fees based on the number of active cases and stage of progress as at the 31 March 2017 as a provision. The total carrying amount of the counsel fees accrual at 31 March 2017 is £788,604 and the provision is £763,787 (2015-16, counsel fee accrual £1,645,290.45 provision nil).

1.16 Accounting standards, interpretations and amendments to published standards adopted in the year ended 31 March 2017

The Public Prosecution Service has reviewed the standards, interpretations and amendments to published standards that became effective during 2016-17 and which are relevant to its operations. The adoption of these standards has not had a significant impact on the financial position or results of the Department.

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

In addition, certain new standards, interpretations and amendments to existing standards have been published that are mandatory for the Department's accounting periods beginning on or after 1 April 2017, but which the Department has not adopted early. The Department considers that these standards are not relevant to its operations.

2. Other administration costs

	Note	2016-17 £'000	2015-16 £'000
Staff costs*:			
Wages and salaries		1,211	1,191
Social security costs		122	92
Other pension costs		270	257
Rentals under operating leases:			
Hire of plant and machinery		-	-
Other operating leases		77	147
		1,680	1,687
Property running costs		13	61
Rates		18	72
Other expenditure		39	39
Total		1,750	1,859

*Further analysis of staff costs is provided in the Staff Report on page 64 in the Accountability Section.

3. Programme costs

	Note	2016-17 £'000	2015-16 £'000
Staff Costs*			
Wages and salaries		14,356	17,846
Social security costs		1,435	1,168
Other pension costs		3,217	3,433
Goods and Services:			
Fees to independent counsel		4,929	4,777
Court related costs		896	821
Property running costs		1,093	1,407
Rates		601	768
IT and telephone maintenance and consumables		747	657
Postage, stationery, printing and publications		316	451
Training and professional subscriptions		271	250
Other expenditure		973	1,165
		28,834	32,743
Depreciation charges	5,6	1,538	1,411
Provision provided for in year		843	-
Interest cost on BBA pension scheme liability	12	117	123
Net impairment charge		(3)	3
		2,495	1,537
Other Operating Expenses:			
Hire of plant and machines		23	1
Other operating leases		1,581	1,769
Profit/Loss on disposal of non-current assets		831	590
Auditor's remuneration and expenses		36	38
Notional charge		19	-
		2,490	2,398
Total		33,819	36,678

*Further analysis of staff costs is provided in the Staff Report on page 64 in the Accountability Section.

4. Income

	2016-17 £'000	2015-16 £'000
Programme income:		
Other Income	-	-
Receipts from the Asset Recovery Incentive scheme	376	364
Recovery of court costs	16	47
Fees and charges to other departments	86	53
Total Programme Income	478	464
Total Income	478	464

5. Property, plant and equipment

2016-17	Buildings £'000	Plant & Machinery £'000	Information Technology £'000	Total £'000
Cost or valuation				
1 April 2016	15,908	992	1,951	18,851
Additions	479	-	528	1,007
Disposals	(1,851)	(421)	(34)	(2,306)
Transfers	-	(31)	-	(31)
Permanent diminution	-	-	7	7
Indexation (<i>Note a</i>)	356	6	148	510
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2017	14,892	546	2,600	18,038
Depreciation				
1 April 2016	(7,891)	(683)	(1,201)	(9,775)
Charged in year	(888)	(88)	(359)	(1,335)
Disposals	1,135	310	33	1,478
Transfers	-	28	-	28
Permanent diminution	-	-	(4)	(4)
Indexation depreciation (<i>Note a</i>)	(190)	(5)	(88)	(283)
Revaluation (<i>Note b</i>)	5	20	51	76
At 31 March 2017	(7,829)	(418)	(1,568)	(9,815)
Carrying amount at 31 March 2017	7,063	128	1,032	8,223
Carrying amount at 31 March 2016	8,017	309	750	9,076
Asset Financing:				
Owned	7,063	128	1,032	8,223
Carrying Amount at 31 March 2017	7,063	128	1,032	8,223

Note a Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation. Indices were applied in January 2017.

Note b Revaluation arose due to the re-life of assets during the financial year.

5. Property, plant and equipment

2015-16	Buildings £'000	Plant & Machinery £'000	Information Technology £'000	Total £'000
Cost or valuation				
1 April 2015	15,045	1,231	2,111	18,387
Additions	822	-	212	1,034
Disposals	(1,227)	(249)	(363)	(1,839)
Permanent diminution	-	-	(4)	(4)
Indexation (<i>Note a</i>)	1,268	10	(5)	1,273
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2016	15,908	992	1,951	18,851
Depreciation				
1 April 2015	(7,135)	(746)	(1,403)	(9,284)
Charged in year	(873)	(104)	(274)	(1,251)
Disposals	762	130	357	1,249
Permanent diminution	-	-	1	1
Indexation depreciation (<i>Note a</i>)	(645)	(7)	5	(647)
Revaluation (<i>Note b</i>)	-	44	113	157
At 31 March 2016	(7,891)	(683)	(1,201)	(9,775)
Carrying amount at 31 March 2016	8,017	309	750	9,076
Carrying amount at 31 March 2015	7,910	485	708	9,103
Asset Financing:				
Owned	8,017	309	750	9,076
Carrying Amount at 31 March 2016	8,017	309	750	9,076

Note a Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b Revaluation arose due to the re-life of assets during the financial year.

6. Intangible assets

	Development expenditure £'000	Information technology £'000	Software licences £'000	Total £'000
2016-17				
Cost or valuation				
At 1 April 2016	810	404	147	1,361
Additions	-	340	61	401
Disposals	-	-	-	-
Indexation (<i>Note a</i>)	20	20	8	48
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2017	830	764	216	1,810
Amortisation				
At 1 April 2016	(512)	(232)	(55)	(799)
Charged in year	(93)	(73)	(37)	(203)
Disposals	-	-	-	-
Indexation depreciation (<i>Note a</i>)	(15)	(6)	(3)	(24)
Revaluation (<i>Note b</i>)	15	7	-	22
At 31 March 2017	(605)	(304)	(95)	(1,004)
Carrying amount at 31 March 2017	225	460	121	806
Carrying amount at 31 March 2016	298	172	92	562
Asset Financing:				
Owned	255	460	121	806
Carrying amount				
At 31 March 2017	255	460	121	806

Note a Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation. Indices were applied in January 2017.

Note b Revaluation arose due to the re-life of assets during the financial year.

6. Intangible assets

	Development expenditure £'000	Information technology £'000	Software licences £'000	Total £'000
2015-16				
Cost or valuation				
At 1 April 2015	818	318	107	1,243
Additions	-	98	39	137
Disposals	(18)	(16)	-	(34)
Indexation (<i>Note a</i>)	10	4	1	15
Revaluation (<i>Note b</i>)	-	-	-	-
At 31 March 2016	810	404	147	1,361
Amortisation				
At 1 April 2015	(566)	(257)	(26)	(849)
Charged in year	(98)	(33)	(28)	(159)
Disposals	17	16	-	33
Indexation depreciation (<i>Note a</i>)	(6)	(2)	(1)	(9)
Revaluation (<i>Note b</i>)	141	44	-	185
At 31 March 2016	(512)	(232)	(55)	(799)
Carrying amount at 31 March 2016	298	172	92	562
Carrying amount at 31 March 2015	252	61	81	394
Asset Financing:				
Owned	298	172	92	562
Carrying amount				
At 31 March 2016	298	172	92	562

Note a Indexation relates to the changes in cost and the associated depreciation as a result of the application of indexation.

Note b Revaluation arose due to the re-life of assets during the financial year.

7. Capital and other commitments

7.1 Capital commitments

	2016-17 £'000	2015-16 £'000
Contracted capital commitments at 31 March not otherwise included in these financial statements:		
Property, plant and equipment	190	-
Intangible assets	-	-
Total	190	-

7.2 Commitments under leases

7.2.1 Operating leases

	2016-17 £'000	2015-16 £'000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Buildings:		
Not later than one year	1,421	1,624
Later than one year and not later than five years	5,363	6,464
Later than five years	4,683	6,028
	11,467	14,116
Other:		
Not later than one year	14	42
Later than one year and not later than five years	58	8
Later than five years	-	-
	72	50
Total	11,539	14,166

The PPS continues to hold leases in respect of premises in Ballymena and Lisburn which it has vacated but which are both partially sublet. The premises are being actively marketed and it is likely they will be fully sublet before the end of lease term or the lease reassigned to a new tenant. It is anticipated that these leases will transfer to the Department of Finance during 2017-18 under the NICS Asset Management Strategy. Consideration was given to the onerous nature of these leases but due to actual and potential re-imbursement from sub-letting, alongside the anticipated lease transfer remaining, no provision has been made.

7.2.2 Finance leases

The Public Prosecution Service has no obligations under finance leases.

8. Financial instruments

As the cash requirements of the Public Prosecution Service 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 Public Prosecution Service's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

9. Cash and cash equivalents

	2016-17 £'000	2015-16 £'000
Balance at 1 April	41	(269)
Net change in cash and cash equivalents balance	(1)	310
Balance at 31 March	40	41
The following balances at 31 March are held at:		
Commercial banks and cash in hand	40	41
Balance at 31 March	40	41

10. Trade receivables, financial and other current assets

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year:		
Trade receivables	54	39
Amounts due from the Consolidated Fund in respect of supply	-	-
Other receivables	374	291
Prepayments and accrued income	420	544
	848	874
Amounts falling due after more than one year	-	-
Total	848	874

Within receivables, financial and other assets there is £396,755.69 (2015-16, nil) of non-operating income and receipts classified as accruing resources that will be due to the consolidated fund.

11. Trade payables and other current liabilities

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year:		
Trade payables	-	-
Other payables	19	91
Accruals and deferred income	2,007	3,664
Property, plant and equipment accruals	356	645
Consolidated Fund Extra Receipts to be paid to the Consolidated Fund:		
Received	397	-
Excess Accruing Resources	-	-
Contingency Fund Payable	1,426	-
Amounts issued from consolidated fund but not spent at year end	-	41
	4,205	4,441
Amounts falling due after more than one year:		
Other payables, accruals and deferred income	-	-
Total	4,205	4,441

In 2015-16 accruals and deferred income included £617k for work in progress for counsel fees. In 2016-17 this cost is included within note 12 Provisions for liabilities and charges.

12. Provisions for liabilities and charges

	2016-17 £'000 Pension	2016-17 £'000 Counsel Fee	2016-17 £'000 Other	2016-17 £'000 Total	2015-16 £'000 Total
Balance at 1 April 2016	3,339	-	-	3,339	3,540
Provided in year	-	763	80	843	-
Actuarial loss / (gain)	493	-	-	493	(160)
Provisions not required written back	-	-	-	-	-
Provisions utilised in year	(163)	-	-	(163)	(164)
Interest cost on BBA pension scheme liability	117	-	-	117	123
Provisions moved to accruals	-	-	-	-	-
Balance at 31 March 2017	3,786	763	80	4,629	3,339

Pension Provision

The Public Prosecution Service has responsibility for the Broadly By Analogy (BBA) pension scheme of public appointments in respect of three retired Directors and Deputy Directors of Public Prosecution or their dependents. The scheme is no longer available to new entrants.

The BBA pension arrangement falls under rules which are broadly by-analogy with the Principal Civil Service Pension Scheme (PCSPS) and is a collection of three separate defined benefit one-

person schemes. All benefits accrued up to 31 March 2017 have been included in the assessment. The scheme liabilities were calculated by the Government Actuary's Department in April 2017 and amount to £3.786m at 31 March 2017 (2015-16, £3.339m). The Actuary have calculated the disclosures at the balance sheet date in respect of the inflation-linked pension payments that are expected to be made over the lifetimes of the schemes members and their partners. The BBA pension provision is unfunded, with benefits for service provided being paid as they fall due and guaranteed by the Department. There is no fund therefore there is a net liability.

Maturity Profile

Payment Profile	2016-17 £'000	2015-16 £'000
Payments due within 1 year	164	164
Payments due after 1 year	3,622	3,175
Total present value of scheme liabilities at 31 March	3,786	3,339

Present value of scheme liabilities

	2016-17 £'000	2015-16 £'000
Liability in respect of		
Active members	-	-
Current pensioners	3,786	3,339
Total present value of scheme liabilities at 31 March	3,786	3,339

Liabilities are valued on an actuarial basis using the Projected Unit Method.

Analysis of movement in scheme liability

	2016-17 £'000	2015-16 £'000
Scheme liability at 1 April	3,339	3,540
Movement in the year:		
Current service cost (net of employee contributions)	-	-
Interest cost	117	123
Employee contributions	-	-
Actuarial (gain)/loss	493	(160)
Provisions not required written back	-	-
Benefits paid	(163)	(164)
Scheme liability at 31 March	3,786	3,339

Expense to be recognised in the Statement of Comprehensive Net Expenditure

	2016-17 £'000	2015-16 £'000
Current service cost (net of employee contributions)	-	-
Interest cost	117	123
Provisions not required written back	-	-
Total expense/(income)	117	123

Actuarial (gain)/loss to be recognised in the Statement of Changes in Taxpayers' Equity

	2016-17 £'000	2015-16 £'000
Experience (gain)/loss arising on the scheme liabilities	(18)	(58)
Changes in assumptions underlying the present value of the scheme liabilities	511	(102)
Total actuarial (gain)/loss	493	160

History of experience (gains)/losses

	2016-17	2015-16	2014-15	2013-14	2012-13
Experience (gain)/loss arising on the scheme liabilities:					
Amount (£'000)	(18)	(58)	(26)	45	(604)
Percentage of scheme liabilities at the end of year	(0.01%)	(1.7%)	(0.7%)	1.3%	(19.4%)

Assumptions - Life expectancy at retirement

Current Pensioners	2016-17 Years	2015-16 Years
Exact Age		
Female officers currently aged 60	30.8	30.7
Female officers currently aged 65	25.8	25.7
Female officers currently aged 75	16.4	16.3
Male officers currently aged 60	29.0	28.9
Male officers currently aged 65	24.0	23.9
Male officers currently aged 75	14.8	14.7

Sensitivity Analysis

The sensitivity analysis of the main actuarial assumptions indicates the following:

- Increasing the discount rate by 0.5% would result in a corresponding decrease in liabilities of approximately £226,000 or 6%;
- Increasing the CPI inflation assumption by 0.5% would result in a corresponding increase in liabilities of approximately £261,000 or 7%;
- Increasing assumed life expectancies in retirement by around 1 year would result in a corresponding increase of approximately £150,000 or 4%.

The opposite changes in assumptions to those set out above would produce approximately equal and opposite changes in the liability. Similarly, doubling the changes in the assumptions would produce approximately double the changes in the liability.

The sensitivities show the change in each assumption in isolation. In practice the financial assumptions rarely change in isolation and given the interdependencies between them, the impacts of such changes may offset each other to some extent.

Estimate of contributions expected to be paid into the scheme over the year 1 April 2017 to 31 March 2018

The Public Prosecution Service will not have any future entrants to the Broadly By Analogy pension scheme and on this basis during the financial year 2017-18 it is estimated that total contributions to the scheme will be nil.

Counsel Fee Provision

At the 31 March 2017 there is an element of work in progress (WIP) that has been completed on prosecution cases by counsel but for which no fee request will have been submitted to the finance department. An estimation has been calculated of £763k and is included as a provision based on the number of active cases and the stage of progress at 31 March 2017.

The WIP provision is estimated by:

- Determining the number of indictable cases that have had counsel fee work completed that have not been accrued or paid;
- Estimating the stage of progress of the case by reference to the date and progress through the courts;
- Grouping cases into subsets to which a standard fee for that type of work is applied;
- Calculating the average fee for each work type;
- Calculating the proportion of counsel type historically used in cases (from 1 April 2014 until the 31 March 2017) to be applied to the WIP cases;
- The WIP provision is calculated as the WIP cases x proportion of counsel type x average fee plus the arraignment cost.

Due to the level on estimation used in determining the liability this is classified as a provision rather than an accrual.

Other Provision

The £80k in other provisions is for costs awarded against the PPS primarily in respect of proceedings in the Court of Appeal. Due to the uncertainty on both the timing and the amount of this liability, it has been classified as a provision rather than an accrual.

13. Contingent liabilities

The Department has a quantifiable contingent liability in respect of the final account for the PPS Headquarters building. The calculation of the liability is disputed by the Developer and has proceeded to arbitration during 2016-17. The Developer is seeking an additional £170k which the PPS does not believe is payable on the basis of legal advice.

The Department also has unquantifiable contingent liabilities that have not been recognised as provisions because their existence will only be confirmed by the occurrence of one or more uncertain future events, not wholly within the Department's control. These are in respect of employment and personnel cases outstanding against the Public Prosecution Service. Settlement dates and values are unknown.

14. Related-party transactions

The Public Prosecution Service has had a number of material transactions with other government bodies. Most of these transactions have been with the Department of Finance.

During the year no board member, key manager or other party has undertaken any material transactions with PPS.

15. Events after the reporting date

There are no other events occurring after the reporting date that require disclosure.

Date Authorised for Issue

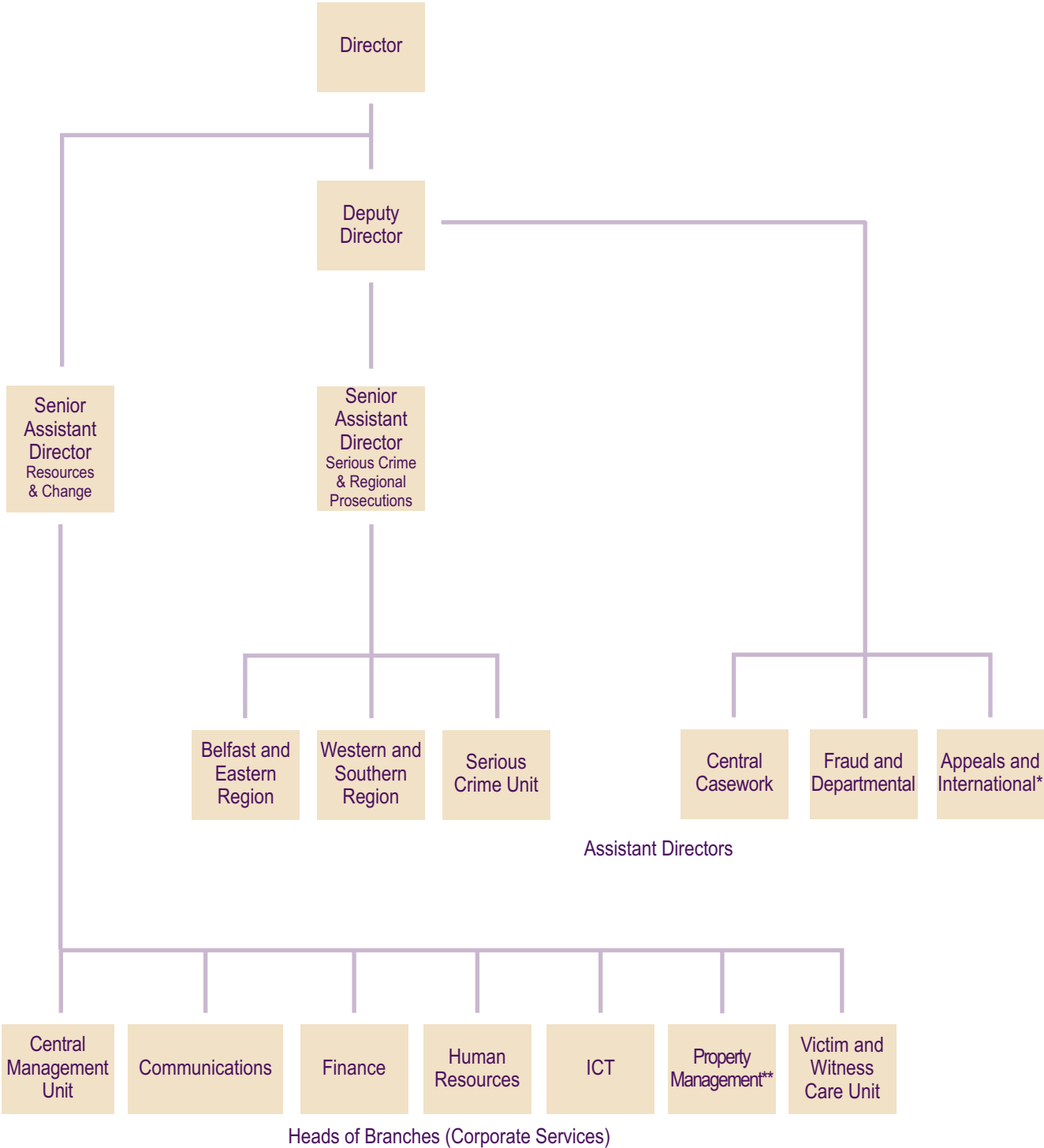
The Accounting Officer authorised these financial statements for issue on 22 June 2017.

Part 4: Annexes



Annex A:

PPS Organisation Chart



* Includes Legal Guidance and Advice Section. ** Includes Business Assurance.

Annex B:

Performance against Key Delivery Targets 2016-17

Figures in brackets indicate performance during 2015-16.

Strategic Priority	Key Performance Indicators	Target / Outcome
1	<p>Quality Assurance Percentage of decisions as to prosecution taken in accordance with the Code for Prosecutors</p>	<p>Target: 98% Outturn: 97.9% (96.9%)</p>
	<p>No Bills / Acquittals by Direction Number of 'No Bills' (All charges) granted in the Crown Court</p>	<p>Target: Not to exceed 26 Outturn: 8 (20)</p>
	<p>Number of Acquittals by Direction (All charges) in the Crown Court</p>	<p>Target: Not to exceed 23 Outturn: 12 (36)</p>
	<p>Review of Charges Percentage of 28 day charge cases where charge sheets are reviewed within 3 working days of first appearance at court</p>	<p>Target: 90% Outturn: 88.9% (86.0%)</p>

Performance against Key Delivery Targets 2016-17 (continued)

Strategic Priority	Key Performance Indicators	Target / Outcome
1	<i>Prosecutorial Decisions - Timeliness</i> Percentage of:	
	Indictable prosecution decisions issued within	
	(i) 100 days	Target: 50% Outturn: 55.6% (56.8%)
	(ii) 180 days	Target: 80% Outturn: 75.8% (79.5%)
	Summary prosecution decisions issued within	
	(i) 15 days	Target: 65% Outturn: 73.8% (73.0%)
	(ii) 40 days	Target: 80% Outturn: 85.1% (84.9%)
	Diversory decisions issued within	
	(i) 15 days	Target: 65% Outturn: 78.0% (78.7%)
	(ii) 30 days	Target: 80% Outturn: 85.8% (86.3%)
	No prosecution (indictable) decisions issued within	
	(i) 50 days	Target: 65% Outturn: 73.4% (70.3%)
	(ii) 150 days	Target: 80% Outturn: 91.0% (93.4%)
	No prosecution (summary / hybrid) decisions issued within	
(i) 15 days	Target: 65% Outturn: 67.8% (67.2%)	
(ii) 30 days	Target: 80% Outturn: 86.7% (87.1%)	

Performance against Key Delivery Targets 2016-17 (continued)

Strategic Priority	Key Performance Indicators	Target / Outcome
2	<p>Public Confidence (NI Omnibus Survey 2016) Percentage confidence in:</p> <p>PPS provision of a fair and impartial prosecution service</p>	<p><i>Target: Improve on 2015</i> <i>Outturn: 71% (74%)</i></p>
	<p>PPS effectiveness in prosecuting people accused of committing a crime</p>	<p><i>Target: Improve on 2015</i> <i>Outturn: 65% (67%)</i></p>
3	<p>Better Payments Percentage of invoices paid within 10 working days</p>	<p><i>Target: 95%</i> <i>Outturn: 95.1% (93.0%)</i></p>
	<p>Percentage of Purchase Orders compliant with Account NI procurement guidance</p>	<p><i>Target: 80%</i> <i>Outturn: 95.1% (72.4)</i></p>
	<p>Freedom of Information Percentage of requests answered within agreed time limits</p>	<p><i>Target: 100%</i> <i>Outturn: 100% (99%)</i></p>
	<p>Complaints Percentage of complaints acknowledged within 5 working days</p> <p>Percentage of initial complaints dealt with within 20 working days</p>	<p><i>Target: 95%</i> <i>Outturn: 99% (90%)</i></p> <p><i>Target: 95%</i> <i>Outturn: 93% (81%)</i></p>
4	<p>Sickness and Absenteeism Average working days lost due to sickness and absenteeism (per whole time equivalent) staff member*</p>	<p><i>Target: 7.5 days</i> <i>Outturn: 12.0 (11.1)</i></p>
	<p>Long-term absence – frequency rate (%)*</p>	<p><i>Target: 7.6%</i> <i>Outturn: 13.6% (11.5%)</i></p>

* Estimated data for 2015-16.

Annex C:

Personal Data Related Incidents 2016-17

Date reported to PPS (most recent first)	Background to incident	Results of investigation / action taken
01/03/17	<p>A package containing a file from the Office of the Police Ombudsman (OPONI), intended for the PPS Newry office, was received in Newry Jobs and Benefits Office (JBO).</p> <p>The file was immediately collected from the JBO by a PPS staff member. The package had not been opened.</p>	<p>Normal practice is that these files are sent to Belfast Chambers and then distributed to regional offices through the PPS Courier system. The PPS log book in Belfast confirmed that they did not handle this file at any point which appears to have gone directly to Newry from the Police Ombudsman.</p> <p>OPONI were unable to explain how this occurred as their policy is to deliver all files to Belfast Chambers for onward transmission. All OPONI staff have now been reminded of the agreed practice.</p> <p>No further action was required in PPS as staff had followed the correct procedures.</p> <p>The incident was not reported to the ICO as it was minor in nature, and the file was delivered to PPS unopened.</p>

Date reported to PPS (most recent first)	Background to incident	Results of investigation / action taken
01/03/17	<p>At Coleraine Youth Court a solicitor reported that their client had received an incorrect criminal record with the summons papers, relating to a different person with the same name.</p> <p>The solicitor confirmed that he did not make any copies, but that he had scanned the document and sent as an attachment to the barrister in the case.</p>	<p>The relevant papers were printed on 9 November 2016 by an agency worker who left PPS before the error was reported. Therefore it was not possible to get any further explanation as to the circumstances of the error.</p> <p>The Business Manager for the Region has spoken to the Casework Support managers and asked them to stress the importance of checking documentation.</p> <p>The solicitor and barrister have confirmed destruction of the errant criminal record.</p> <p>The breach was not reported to the ICO as it was minor and there was no further dissemination.</p>
03/02/17	<p>A caller reported to PPS that they had received a witness invitation to their place of work. They claimed to know nothing about the case.</p>	<p>The PSNI linked a different person with the same name to the case. This was likely caused by the fact that both persons live fairly close together in the same town. PSNI have now made corrections to their records.</p> <p>The VWCU wrote to the caller's solicitor on 1 March 2017 acknowledging the error and noting that it had now been corrected.</p> <p>The caller's solicitor indicated that that they had destroyed the papers.</p> <p>The breach was not reported to the ICO as it was minor and there was no further dissemination.</p>

Date reported to PPS (most recent first)	Background to incident	Results of investigation / action taken
02/02/17	<p>A staff member emailed a notice of intention to adduce evidence of a defendant's bad character, containing the name of the defendant and the fact that they have a criminal record. The email was intended for a barrister working for the PPS, but was sent instead to an email address containing a similar name. The actual record was not disclosed and no other details about the defendant were included.</p>	<p>The staff member immediately contacted the recipient who confirmed that they had deleted the document.</p> <p>The relevant members of staff were informed that they should only exchange sensitive data with barristers via approved secure email accounts.</p> <p>This case was not reported to the ICO as the damage was contained quickly and the information does not appear to have been disseminated further.</p>
26/01/17	<p>PPS received a call from someone who had a summons delivered to their address. They informed PPS that they were not the subject named in the summons.</p> <p>The caller also requested that his address be removed from the PSNI computer system and that no further correspondence be sent.</p>	<p>The error appears to have occurred as the PSNI investigating officer (IO) entered the wrong house number on the police case management system. The PPS Regional Business Manager contacted the IO to confirm the defendant's house number and to arrange for the relevant records to be updated.</p> <p>This case was not reported to the ICO as the impact was deemed to be minimal and the error was caused by incorrect data entry by the police.</p>

Date reported to PPS (most recent first)	Background to incident	Results of investigation / action taken
11/01/17	<p>A defendant was sent summons documentation on 28 November 2016. On 11 January 2017, PPS received a complaint by email from the defendant stating that they had also received information relating to the criminal records of seven other individuals.</p>	<p>The complainant received a printout of a criminal record search for a second defendant in the case. Where the defendant does not have a criminal record, current practice is to print out a copy of the search and attach it to the case file as confirmation that a criminal record search was carried out. The PPS staff member involved accidentally attached a copy of this search to the complainant's papers.</p> <p>In this instance, as well as the name of the search subject, the names of six other individuals were on this search record. This is normal as the search automatically suggests individuals with similar names where there is no criminal record found. In addition to the names, other personal data relating to the defendants was shown. However, the search record only indicates that the person was a suspect in a criminal investigation, and does not show if the person has a criminal record or details of the criminal record itself.</p> <p>This incident was reported to the ICO on 30 January 2017 due to the sensitivity of the data released and the number of subjects affected. On 13 February 2017, the ICO wrote to the PPS indicating that no further enforcement action would be taken, citing the fact that the PPS had reported the incident promptly, had taken appropriate remedial action and that the damage to the data subjects appeared to be minimal.</p>

Date reported to PPS (most recent first)	Background to incident	Results of investigation / action taken
15/11/16	<p>A caller complained to the PPS that they were receiving correspondence from PPS regarding a defendant who they claimed did not live at their address.</p>	<p>The police and witness statements on file all recorded that this was the suspect's address, as well as the location of the alleged incident. The police indicated that they could not change the address unless there was evidence that the suspect had moved. The police have indicated that there is currently no evidence that this is the case.</p> <p>This case was not reported to the ICO as there does not appear to have been a data breach.</p>
22/09/16	<p>An unredacted witness statement, showing a witness address, was supplied to the defendant in a case. In this instance, the witness was also the partner of a judge.</p> <p>Police would normally redact these statements, but it is also the duty of the prosecutor to check for this type of data prior to disclosure.</p> <p>The defendant's solicitor noticed the inclusion of the address in the statement and returned it to PPS. The solicitor advised that his client would not be familiar with either the witness or spouse.</p>	<p>The Regional Assistant Director spoke to the witness and their partner to apologise for the error. Both were offered the opportunity to make a formal complaint, but this was declined.</p> <p>The AD spoke to the prosecutor involved to remind them of their responsibility for quality assuring these documents.</p> <p>The prosecutor's line manager also spoke to the investigating officer's supervisor to remind as them that the address should not have appeared in the statement submitted by the PSNI.</p> <p>This case was not reported to the ICO as the damage was contained quickly and the information does not appear to have been disseminated further.</p>

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